



Co-operative Councils
Innovation Network

ENERGY

City of Cardiff Council

Cyd Cymru / Wales Together

“Cyd Cymru / Wales Together” is Wales’ **collective switching scheme** led on by the City of Cardiff Council in partnership with the Vale of Glamorgan Council and Welsh Government. It is designed to help people save money on their energy bills.

We know that the price of energy has been going up over recent years. According to Ofgem and ONS figures, energy bills rose by as much as 24% between 2009 and 2012 whilst household incomes only rose by 2.9% over the same period. Because this is a trend that is likely to continue it means that the most vulnerable people in society are likely to be the worst affected.

The idea behind collective energy switching is that those interested in receiving a better deal group together as a ‘collective’ before approaching the energy suppliers. The larger the number of people that get involved, the more attractive the group of customers are likely to be to the energy suppliers.

In selecting a “switching agent” to negotiate with the energy suppliers on behalf of the collective, Cyd Cymru co-produced the specification with people, partners and stakeholders across Wales. This was to ensure we delivered a scheme that represented the needs and ambitions of all involved. Cyd Cymru also used the collective as an opportunity to make several participants aware of measures and behavioural changes to make their homes warmer and more energy efficient; which could help them save up to £150 a year, according to our partners, the **Energy Saving Trust Wales**.

In terms of outcomes, over the three switches run to date the Wales Together collective switching scheme has saved an average of £225 per household for customers, promoted energy saving advice and encouraged participants to become more confident when it came to switching energy suppliers to get a better deal. Following the latest switch 90% of those that switched said they would recommend the switch to others.

The collective amount saved by the first three switches is £811,791 and the table below shows the average savings by payment method for the latest switch. Significantly, savings were made across all payment types.



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Savings by Payment Method- Switch 3			
New Pay Method	% of switchers	Aggregate Savings	Savings per switch by method
Monthly Direct Debit	92%	£492,123	£262
Pay on receipt of Bill	5%	£27,826	£260
Prepayment Meter	2%	£3,502	£80
Quarterly Direct Debit	1%	£3,954	£264

As supporters of the Co-operative principles there is a unique opportunity to work with other Co-operative Councils to develop a single “collective switch” across the network. Cardiff has aligned its switches with Liverpool, Manchester, Cornwall and Sheffield, as well as other private sector employers and newspapers to form a larger collective of over 55,000 people. This meant that participants had an even bigger influence in the market and as a result energy suppliers offered a unique tariff that provided many households with compelling levels of savings, and in Switch Three attained a deal that was the cheapest dual fuel tariff since 2010. It also clearly demonstrates that a national issue, like fuel poverty, can be addressed by working closely together at the local level.

A collective switching scheme on a national larger scale could potentially provide an even greater level of saving for our communities. The more people who join the scheme the **greater the savings** will be. Cardiff has therefore written to the Co-operative Council Innovation Network welcoming expressions of interest in undertaking a collective switch on an unprecedented scale in the UK, to achieve maximum saving for residents. Those who have already undertaken collective switching can build on their local brand, but nationally we could effectively coordinate activities and encourage other areas to take part by sharing our learning. This would exemplify the values of the co-operative and uses the principles of collectivisation to help deliver benefits for local people.

Moving forward, Cardiff is already considering how **the Cyd Cymru brand, and the principle of collective buying, could be applied to other areas of the market.**

www.cydymru-energy.com

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