

Overview and Scrutiny Management Board



Supplementary Agenda

8. Bristol Energy Business Plan (part exempt from publication)

(Pages 3 - 29)



Overview and Scrutiny Management Board

1st April 2019



Title: Bristol Energy Limited Business Plan 2019/20 –2023/24

Officer Presenting Report: David Lawrence, Interim Shareholder Liaison Director

Contact Telephone Number: 0117 3574172

Recommendation:

Members to review Bristol Energy Limited's Business Plan 2019/20 –2023/24

Context:

To consider the 2019/20 – 2023/24 business plan for Bristol Energy.

Appendices:

Cabinet Report: Bristol Energy Limited's Business Plan 2019/20 –2023/24 (to be considered on 2nd April 2019)

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Please note that under s.100A(4) of the Local Government Act 1972, the public be excluded from the meeting for aspects of the above item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 3 of Part 1 of schedule 12A of the Act



Decision Pathway – Report Template



PURPOSE: Key decision

MEETING: Cabinet

DATE: 02 April 2019

TITLE	Bristol Energy Limited Business Plan 2019/20 –2023/24		
Ward(s)	All.		
Author: David Lawrence	Job title: Interim Shareholder Liaison Director		
Cabinet lead: Cllr Cheney	Executive Director lead: Executive Director Resources		
Proposal origin: <i>City Partner</i>			
Decision maker: Cabinet Member Decision forum: <i>Cabinet</i>			
Purpose of Report: To approve the 2019/20 – 2023/24 business plan for Bristol Energy.			
Evidence Base: It is intended that the Mayor (or his/her appointee) will make most decisions concerning the executive's role in respect of company interests with the advice of the Shareholder Group. The approval of a five year business plan is an annual process, which sets the direction for the future of the company. Since this is a key decision, this decision will be made at Cabinet.			
Cabinet Member / Officer Recommendations: THAT CABINET 1. Approve the 2019/2020-2023/2024 business plan of Bristol Energy Limited, attached as Appendix A2 and Exempt Appendix J1, including the approval of the following in respect of the business plan period: A. Increasing the total cash funding envelope available for BE from the previously approved £31.3m to £37.7m, to support the core energy supply business (for the avoidance of doubt, this total cash funding includes any funding provided to BE to date). B. In respect of the total cash funding envelope, delegating to Director of Finance (s 151 Officer) in consultation with the Deputy Mayor for Finance and the Director of Legal and Democratic Services, authority to: (a) agree any phasing of the draw-down and other details of individual funding arrangements, and (b) negotiate, sign and enter into the necessary contract and agreements (including appropriate loans and guarantees in respect of such funding envelope). 2. Note that the limit of the parent guarantees and collateral support will remain at previously approved level of £17.6m.			
Corporate Strategy alignment: Bristol Energy's business plan aligns with the key theme of wellbeing, supporting Bristol to be on course to be run entirely on clean energy by 2050 via investment in renewable generation and developing innovative products to reduce domestic fuel consumption and tackle fuel poverty.			
City Benefits: The Bristol Energy's business plan will deliver the following benefits to the city:			

- Addressing the inequality of the most disadvantaged paying disproportionately more for their energy.
- Financial savings for Bristol Citizens.
- Strengthening local communities.
- Increasing environmental sustainability and supporting Bristol towards a low carbon future.
- Making a first step towards the delivery of digital public services.

Consultation Details: Bristol Energy Company Board and Shareholder Group – October- March 2018/2019, City Leap joint working group – including representatives from Energy service - Jan – March 2019. OSMB – 27th November 2018. Cabinet members - 20th November 2018 and 12th March 2019.

Revenue Cost	See Appendix	Source of Revenue Funding	See Appendix
Capital Cost	N/A	Source of Capital Funding	See Appendix
One off cost <input checked="" type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input checked="" type="checkbox"/>

Required information to be completed by Financial/Legal/ICT/ HR partners:

1. Finance Advice:

The Council’s investment in Bristol Holding as at March 2019 was £28.8m. A net impairment of £12.1m (taking into account the valuation of the group of companies under Bristol Holding) was recognised in the Council’s own account and Bristol Holding Company’s accounts for 2017/18.

Over the last 6 months, Bristol Energy (BE) had seen stable customer growth and had taken significant steps with the Council in restructuring its business operations and repositioning its strategy to align with the Council’s strategic objectives. The revised business plan reflects key changes in strategies (e.g. product offer, pricing strategy, marketing strategy, margins on tariffs and overhead structures) in pursuing a realistic plan for a sustainable core supply business and also with the aim of building a sustainable energy service for the city with social value at its heart and to support Bristol to hit ambitious social and environmental goals set out in the One City plan.

Focusing on growing its customer base both locally and nationally, BE offers additional innovative energy services with its social mission to grow renewable fuel mix. They had recently won the Council’s estate energy tender through a competitive process and the company’s Fuel Good Fund has been gathering pace, supporting vulnerable residents around the city. They work in partnership with the Centre for Sustainable Energy and the Council to deliver meaningful impact to the lives of Bristol’s citizens who are struggling with fuel poverty. In February 2019, Bristol Energy was the first energy supplier to trial selling ‘Heat As A Service’ with households in the UK (selling warmth, not kWh of gas). This was an important step in creating energy products and services fairly priced for everyone, and to support decarbonisation in the City.

Other significant steps taken also include actions ensuring BE as business would be ‘City Leap ready’, developing innovative pilots and projects demonstrating and transforming BE toward an energy service business and unlock additional value in the business.

Please see exempt appendix J2 for the further detailed financial commentary.

Finance Business Partner: Tian Ze Hao, Finance Business Partner

Date: 18/03/2019

2. Legal Advice:

Cabinet has already authorised the provision of a range of cash, credit, collateral and guarantee support to Bristol Energy (on market terms) in accordance with the Bristol Energy Operational Plan 2018/2019 and has delegated authority to the s 151 officer to negotiate, sign and enter into the necessary contracts and agreements (including appropriate loans and guarantees). The business plan currently being proposed requires a level of cash support beyond the current level of approval and accordingly requires Cabinet approval. In accordance with the above delegated authority, the terms under which this support is given will continue to be set by the s 151 officer and will include financial caps in the individual guarantees, and provisions addressing oversight of the company’s utilisation of collateral support.

Legal Team Leader: Eric Andrews, Legal Team Leader

Date: 21.02.19

3. Implications on ICT:

Bristol Energy IT services are largely independent from BCC IT Services due to their specialist requirements; therefore there are

no direct IT implications for BCC IT. However, BCC IT is supportive of Bristol Energy's role in advancing digital connectivity and its role in delivering key City priorities.

ICT Team Leader: Ian Gale, ICT Service Delivery and Integration

Date: 19.03.19

4. HR Advice: The Business Plan highlights a number of workforce changes in the Company as a result of restructuring the business. These changes are the responsibility of the company to manage. However, as Shareholder, the Council is responsible for the appointment of board level directors. There have been a number of changes at Board level. The recruitment of three new non-executive directors has been completed and they will take up their roles during April 2019. The recruitment of a new permanent Managing Director has commenced and will be completed by May.

HR Partner: Mark Williams, Head of Human Resources – 7 March 2019

EDM Sign-off	Mike Jackson	26/02/2019
Cabinet Member sign-off	Cllr Cheney	25/02/2019
CLB Sign-off	Mike Jackson	26/02/2019
For Key Decisions - Mayor's Office sign-off	Mayors Office	04/03/2019

Appendix A – Further essential background / detail on the proposal <ul style="list-style-type: none"> - A1. Further information about proposal - A2. Bristol Energy Business Plan - Public document 	YES
Appendix B – Details of consultation carried out - internal and external	YES
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	NO
Appendix E – Equalities screening / impact assessment of proposal	YES
Appendix F – Eco-impact screening/ impact assessment of proposal Bristol Energy intends to place an increased emphasis on the delivery of low carbon energy and diversification into new energy technology products. These are likely to deliver net environmental benefits. The principal environmental benefits of this proposal relate to the City Leap project which is the subject of a separate Cabinet report and has its own eco impact assessment	NO
Appendix G – Financial Advice <ul style="list-style-type: none"> - See Exempt Appendix J2 	NO
Appendix H – Legal Advice	NO
Appendix I – Combined Background papers	
Appendix J – Exempt Information <ul style="list-style-type: none"> - Exempt Appendix J1. Bristol Energy Exempt Business Plan 2019/20 - 2023/24 - Exempt Appendix J2. Exempt Financial commentary 	YES
Appendix K – HR advice	NO
Appendix L – ICT	NO

Appendix A1.

Title: Bristol Energy Limited Business Plan 2019/20 –2023/2024

Author: David Lawrence

Job title: Interim Shareholder Liaison Director

Cabinet lead: Cllr Craig Cheney

Director lead: Denise Murray, Director of Finance

Background:

1. The Bristol Energy Limited (BE) was established via a detailed business case which resulted in the Cabinet decision of 7th July 2015 and has been trading on the open market since February 2016.
2. The process of governing the companies is principally with the Mayor (or his/her delegate) making “reserved matter” decisions as the Shareholder, following advice from the Shareholder Group. The approval of the BE business plan is a critical decision which is reserved to Cabinet, which agrees the direction of the company on an annual basis.
3. This report seeks approval of the 2019/2020-2023/2024 business plan, which is attached as Appendix A2 and Exempt Appendix J1. These documents refresh the Council’s original vision for the company in order to ensure the delivery of the Council’s objectives.

Energy Market Context

4. It has been much reported that members of the public are paying too much for their energy, with the fuel poor (those least able to afford their bills) and the most vulnerable, (who tend to be least likely to switch), paying the most. 13.2% of Bristol households are thought to be in fuel poverty, (above the national average of 9.8%), meaning they cannot afford to heat their homes.
5. Continually rising energy prices put ever increasing pressure on low income families and households. Energy supply to local households and businesses is via the local electricity and gas networks. The current regulations mean that the generation, transmission, local distribution network and sale of energy to the end customer have to be managed separately. The six largest suppliers (the ‘big six’) own the majority of local distribution networks, many of the generation plants and also sell energy directly to the majority of UK customers.
6. The curve is turning and the energy market is diversifying. There are however only two municipally-owned energy supply companies in the UK and Bristol Energy (established in 2015) is one. This low level of municipal involvement in energy supply is considered to be due to the regulatory complexity and material start-up costs that come with participating in this sector.
7. There were 72 active suppliers in the domestic gas and electricity retail markets as of March 2018, this reduced to 69 up to September 2018. These consisted of the ‘big six’ suppliers and 63 other suppliers, mainly active in both gas and electricity. Between Q2 2011 and Q3 2018, the combined electricity market share of the large six suppliers dropped from nearly 100% to 75%.
8. This crowded market place has resulted in an oversupplied market with aggressive pricing strategies, increased regulatory burden and squeezed margins. In addition to this, the wholesale markets have been increasingly volatile with the market moving up to 8% in a single day.
9. From July to September 2018 there was a net decline in the number of active domestic suppliers for the first time since 2005, and between October 2018 and January 2019 a further seven licensed suppliers also exited the market. The failures are often due to cash flow, availability of collateral, inexperience, trading in short term and imbalanced markets, and selling below cost to grow the business quickly to offset high start-up costs.

Bristol Energy performance

10. In spite of the market challenges, in the last 2 years Bristol Energy's business has grown significantly, with customer numbers now in excess of 165,000. The business has also achieved the following key metrics as at the end of 2018/19.
- 165,000 residential customer supply points and growing business customers
 - £168 pa. saving per customer (achieved through switching to BE), £2.76m savings delivered to date.
 - 12.0% of BE customers live in Bristol since launch.
 - Gross margin broadly in line with latest plan
 - Funding drawn down in line with business plan level for 2018/19
 - Customer service quality recognised as being the top 10 of the industry by independent bodies and surveys.
 - 103 FTE plus 3 apprentices living in Bristol (> than 12 months service)
 - In terms of delivery of social value, the company put back an estimated £7m into the local Bristol economy through a focus on local job creation, supporting staff volunteering days, and carbon reduction initiatives for example.

Revision of core business plan, and diversification strategy

11. In recognition of the extremely challenging market conditions, Bristol Energy has been developing a robust diversification strategy and refreshed business and target operating model which is designed to enable the company to adapt and thrive in the current market conditions. There have also been a number of changes within the executive leadership & senior management within the business, which has focussed on ensuring the business has the skills and resource capacity required to support business transformation.
12. Areas of development in the core business plan include: refreshed margin projections and sensitivities; developing new revenue streams around white label opportunities; planned improvements in digital channels; and customer access and delivery of key programmes such as smart meter roll out and becoming a gas shipper. The latter is intended to bring benefits to the company and Council in relation to reducing the future trading credit requirements and associated parent company guarantees from the council.
13. In addition, the new business plan sees a refreshed emphasis on delivery of social value for the city, as well as achieving the Council's strategic objectives. The proposed strategic vision for the company is now focused on three goals:
- **Value:** Increasing total shareholder returns in both financial and social value.
 - **Sustainability:** Improving operational efficiency and effectiveness. Right sizing the business, optimising current operations, minimising risk and reducing the environmental impact, particularly focussing on the demonstration and delivery of low-carbon energy systems.
 - **Diversification:** To become a multi-product energy company, with a diversification strategy that involves working on new energy technologies combined with tariffs that are smart and sustainable from the social, environmental and economic points of view.
14. The company's objectives and strategy are set out in more detail in Appendix A1 and J1.
15. The final work stream which underpins the revised Bristol Energy strategy is in developing innovative products and services which complement the councils 'City Leap' initiative. This is the subject of a separate Cabinet report being considered on the 2nd April 2019. City Leap provides the context for refreshing the original objectives of Bristol Energy.
16. The City Leap cabinet report sets out the vision for the future local energy system and opportunity to

attract up to £1bn of low carbon, smart energy infrastructure investment in Bristol over the next 10 years.

17. The proposals give Bristol Energy an opportunity to build on one of their unique selling points as a municipally owned, city based energy supplier to unlock its potential in the future local energy system as a supplier of services.

-ENDS-

Year in review 2018/2019

and 2019/20 strategic plan

BRISTOL
energy



Foreword



“Creating a sustainable energy company with social value at its heart.”

Three years since its creation, Bristol Energy is forging ahead with its plan to support Bristol City Council in creating a different kind of energy provider: one which has the community at its heart and focuses on driving profits for a purpose.

From local job creation to staff volunteer days, carbon reduction activities and well-being initiatives such as training mental health first aiders, we are proud to say the estimated value put back into the Bristol community is £7m this financial year (estimated £12m since inception). Over the past year, we've had some great results; we've grown our customer base and pushed forward with our social mission to grow our renewable fuel mix;

- Residential has grown to over 165,000 customer supply points
- Business to Business has grown to over 4,500 business supply points
- Over 54 contracts with independent, renewable generators – many of them community owned

The company's Fuel Good Fund has been gathering pace, supporting vulnerable residents around the city. We work in partnership with the Centre for Sustainable Energy and local charities to deliver meaningful impact to the lives of Bristol's citizens, who are struggling with fuel poverty.

In February 2019, Bristol Energy was the first energy supplier to trial selling 'Heat As A Service' with households in the UK (selling warmth, not kWh of gas). The 'Heat As A Service' trial was an important step in Bristol Energy's journey towards creating energy products and services which are fairly priced for everyone, support sustainable energy supply and advance the decarbonisation of homes and businesses.

Bristol Energy is committed to supporting Bristol to hit ambitious social and environmental goals set out in the One City Plan. Our strategy over the coming financial year is to focus on growing our customer base both locally and nationally and offering additional innovative energy services. We set out our key priorities for the years to come below.

This is the start of an exciting new phase of growth for Bristol Energy. My message to everyone in Bristol is; this is your energy company – join us to help us reinvest back into Bristol community.

Marek Majewicz
Managing Director, Bristol Energy



Our year in Review

BRISTOL
energy
2018/19

Our year in review

Customer Numbers Growing

CIRCA **165,000**
customer supply points

CIRCA **4,500**
business supply points

Our Fuel Mix Is Getting Greener

54 independent renewable generators

CIRCA **75%**
green supply
(up from 51% in 2017/18)

Electricity comes from community owned projects

Locally sourced gas or 'Poo Power'

Sewage waste from 1M Bristol people turned into biomethane, a sustainable, virtually carbon neutral & environmentally friendly substitute for natural gas

Great Customer Service

★★★★★
uSwitch

★★★★★
Trustpilot

citizens advice **Top 10**

Which? Top 10

We're a Force for Social Good

OVER **£25k** raised for our Fuel Good Fund

OVER **£2k** raised for charity by our staff

Linkage, Caring in Bristol, FareShare

OVER **1,100** hours volunteering by our staff

ESTIMATED **£7m** put back into the local Bristol economy via local job creation, supported staff volunteer days, carbon reduction and mental health first aiders to name a few

We accept payment in Bristol Pounds

BRISTOL POUND

Working with Partners who Support our Vision

CATAPULT Energy Systems

regen renewable energy

Innovate UK

upside

BRISTOL CITY COUNCIL

We have significantly grown our customer base



Our customer base has grown by 38% over the year reaching over 165,000 customer meter points, starting from 120,000 at the end of last financial year. We've also grown our business sites significantly and now supply over 4,500 business supply points, of which 2,192 are in Bristol.

We won the Bristol City Council energy contract

We were pleased to have been awarded Bristol City Council's electricity and supply contracts via a competitive tender processes.

All of Bristol City Council's sites including council offices, museums, council managed schools, libraries and care facilities are now supplied by Bristol Energy. The gas provided is local and green, supporting Bristol to stay ahead of its carbon reduction targets.



We've continued to provide great customer service



We've improved our customer service rankings in 2018/19, moving up to 6th place in the influential Citizen's Advice Supplier Rankings, moving from 11th to 8th in the annual Which? Energy Survey and maintained our 4* ranking for customer service on both Trustpilot and USwitch.

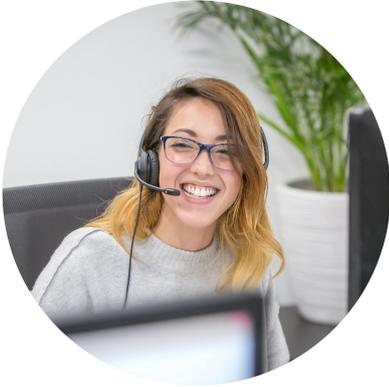


8th Customer Satisfaction Surey



Currently 6th in supplier ratings

Our Bristol based team are passionate experts



We are contactable via social media, email or by phone. You can also visit us in person at our Customer Service Point to talk to someone face to face, to get advice and support on your bills, smart meters, energy use and consumption. We resolve complaints quickly and are industry leading in the speed at which we resolve complaints; currently 93% are resolved within one working day.

We're delighted when customers take the time to share their experiences



4 Mar 2019

Great service from Liam & the team

Great service from Liam & the team. For a couple of weeks now they have helped managed my energy transition end-to-end (including with old provider objections, direct debit etc) and gave me peace of mind with my medical condition.



25 Feb 2019

One of the best !

Just the best energy company I have ever dealt with! Bills make sense, I can do all my stuff online and whenever I need to call I get through to a nice honest person and we can have a chat about how to sort it. Well done Bristol Energy - top of the pile for me





We've taken action to reduce fuel poverty in Bristol

We established our Fuel Good Fund in 2018 to help reduce fuel poverty in Bristol.

So far, we've raised over £25,000 which is being used to support our partners at the Centre for Sustainable Energy deliver the WHAM (Warmer Homes Advice & Money) project.

This pioneering project brought together multi-disciplinary support for vulnerable citizens who may need help with energy efficiency measures, debt advice and payment plans. We are proud to be contributing to the city's plan to ensure that no one suffers a cold home by 2030 and we will continue to work towards this goal.

We voluntarily offer the Warm Home Discount to around 3280 customers this year meaning that those people who need extra help with their energy bills, and qualify, will receive a one off, annual rebate.

We have also led a cross city initiative 'No Cold Homes' which brings together the city's leaders from housing, healthcare, energy and community groups to work together to develop collaborative plans to tackle all the facets that contribute to fuel poverty.



We're getting greener



Our fuel mix is getting greener, with the introduction of more local renewable generators adding wind, solar and hydro to the mix. We work directly with over 54 renewable generators supporting more renewables onto the grid. 31% of this renewable generation is sourced directly from the Bristol area. In partnership with Geneco, a local energy innovator, waste from one million Bristol people is turned into biomethane, a sustainable, virtually carbon neutral and environmentally friendly substitute for fossil fuel natural gas. We supply our domestic customers with 15% green gas and businesses up to 100% green gas.

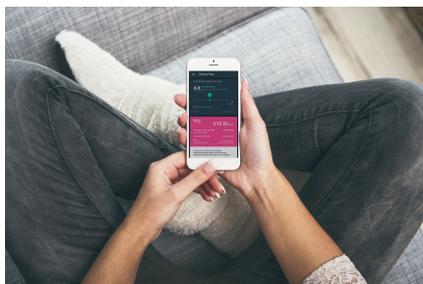
Circa 75% of our electricity currently comes from renewables



We have trialled new customer led, energy service innovations

This year, we trialled the UK's first 'heat as a service' system. This trial starts our journey to learn more about how customers want heat and warmth delivered, moving away from a traditional gas supply model of purchasing kWhs rather than the easier to understand concept of 'warm hours'.

We've secured innovation funding



Working with Innovate UK, the arm's length government innovation funding body, we have created the Bristol Energy Smart System Transformation (BESST) project. This consortium brings together Bristol City Council, three local community groups (Bristol Energy Network, SevernNet, Bristol Community Transport), Regen and Upside Energy to explore the best ways in which to design a local energy system in North West Bristol.

This innovative project explores how we design new services for our customers, helping prepare ready for a changing energy world. One in which customers begin to take more control of their energy use and supply, with a move to electric vehicles, battery storage systems and need to decarbonise heat.

We're collaborating with community owned renewable generators Gower Power and the technology company Origami to develop a local energy system, installing a new solar and storage facility at their existing 1MW solar farm. This will enable smart grid management and demand matching for local electricity supply, using smart meters.



We're working with even more partners to deliver our purpose



During the last year we've established and strengthened our partnerships with local charities that help vulnerable people in our community, including FareShare SW, Feeding Bristol, LinkAge and Caring in Bristol. We've had staff volunteering at events, donated food other in demand items such as toiletries, have supported charities with joint marketing and social media and raised money through charity auctions, cake sales and affiliate programmes.

We have formally established our relationship with the Centre for Sustainable Energy to provide funding for their WHAM project. This innovative project provides advice on energy and money for those who need it, as well as carrying out home repairs to improve energy efficiency.

We are also really excited to be a part of the local business community, such as working with Bristol Water and the Better Food Company. We have been working to establish partnerships with local business networks focusing on the environment, society and our local economy, including the Bristol Green Capital Network, Future Economy Network and our local Chamber of Commerce, run by Business West.

We've reshaped our team



We believe our people are the key to delivering our ambitious plan. We've reshaped our senior team to reflect this and to provide the right leadership and expertise to help us match the change in the energy sector and to drive a renewed focus on our purpose.

Our new senior leadership team brings a mix of expertise from the public and private sectors, including all important energy industry and retail knowledge, as we begin to better understand our customers' needs and requirements.

We met our plans and targets

We have continued to perform within the range of our business plan and targets set by our shareholder, Bristol City Council.

Our company growth continues at pace, our customer base is growing and we're delivering significant social value to the city. As we begin to engage with City Leap, we expect to see that social impact develop even further as we work together with Bristol City Council to realise some of the aims set out in the recently published One City Plan.





Our Plan 2019/2020

Our Vision

"We will create a sustainable energy company that has social value at its heart."

Our Objectives

- To create 'profit for purpose'.
- To be a commercially efficient business that will in turn, provide an income stream for Bristol City Council
- To support our vulnerable citizens with major social challenges, such as fuel poverty, by creating new products and services which leverage new technologies and innovations.

Our Strategy

- Increase total shareholder returns in both financial and social value
- Improve business efficiency and effectiveness by creating economically sound and sustainable business model
- Diversify to become an energy services company with multiple products and services to support the vision.

Our Values



Be purposeful

Our sole reason for being is to create profit for purpose. We are relentlessly focused on our purpose and have a clear direction to help us get there. We take care to create exceptional work which focuses on the customer at all times.

Be curious and brave

We dare to be different. We are brave enough to ask questions and challenge the status quo. We are courageous; embracing new opportunities and trying new and creative ways of doing things.

Be connected

Our community is connected across teams, cultures and geographies. Online, over the phone and face to face, we come together and collaborate to solve problems. Together, we will help to forge a sustainable and environmental legacy for Bristol and beyond.

We will strengthen our core business, growing our customer base and focusing on Bristol

Our marketing and sales teams will focus on growing our customer base firstly in Bristol and then, nationally. In 2019/20, we will continue to work closely with Bristol City Council, Bristol community groups and local partners to better understand our customer needs and to develop services which better serve them.

We will reach our customers, and potential new customers, through local events, social media, digital and telephony channels. We will continue to offer fair and transparent energy tariffs, priced sustainably to ensure we are not selling energy at a lower price than it costs us to buy it, but will also build our product offering to include additional products and services.

Our Refer a Friend Campaign continues for 2019/20, allowing our loyal customers to be rewarded for sharing their Bristol Energy experiences with others, helping us to build our community of energy consumers with social value at their heart. We look forward to our Fuel Good Fund growing and being able to deliver a meaningful impact to those living in fuel poverty in Bristol.

In 2019/20 we will implement a number of new strategic initiatives to create better experiences for our customers, which at the same time will help us reduce our cost to serve them.

We will improve our great customer service, adding some automated systems to back office tasks giving our people more time to interact with customers. We will invest in new digital platforms including our first version of an app that will give our customers a new way to understand their energy use and self-serve information for both traditional and smart meters.

The app will grow and build over the year to include innovative and useful features which will help our customers to manage their energy consumption, usage, generation and save money on their bills.

We're proud to be pioneering a new remote digital team of UK based workers who will support our in-house customer care team, working outside of usual office hours at evenings and weekends, to speak to customers about their energy service at a time which is convenient to them. We're pleased to be able to pilot this approach and support people who are looking for an alternative way to return to work.

Finally, as we continue to grow our customer base, we're excited to be developing our customer community and will use this group to help us learn about what energy products and services our customers want. We hope this will become a self-supporting community who will answer questions, share interests and support our vision of creating a company which has social value at its heart.



We will diversify into energy services

The energy market continues to evolve.

Traditional energy supply is giving way to energy services – a new way to describe additional energy products and offers which energy companies can provide to customers to support their energy use, management and even generation.

Power and control is moving to the customer as technology rapidly advances and information is more readily available. Smart meters, electric vehicles and solar panels are all becoming more mainstream. In addition, a growing ethical and environmental consciousness in British consumers means people want to do business with companies who are purposeful and have the greater good in mind.

Bristol Energy is working to be at the forefront of this new energy world, using our home city of Bristol to test and pilot new and innovative products. Our 2019/20 business plan includes the new 'energy as a service' propositions, technology platforms and pilot innovations which we hope to be able to bring to market over the coming months and years.

These include...

Heat as a service

We were the UK's first energy supplier to trial 'Heat as a Service' with the Energy Systems Catapult and we will continue to develop this service offering as well as integrating a 'Power as a Service' offering

Heat retailing

As Bristol's heat network infrastructure grows, we will also begin retailing heat working with partners to ensure the best offer to customers.

Solar and battery propositions

Solar panels and batteries will support the Bristol City Council's aims to decarbonise and we will soon be trialling propositions to support our customers benefit from these technologies.

Energy Efficiency Products

The best way to reduce energy costs and carbon is to not use as much energy! We will launch services to help our customers better understand their usage and, in turn, reduce their consumption.

Transport and Electric Vehicles

As electric vehicles continue become more important to Bristol's decarbonisation goals, Bristol Energy will support ensuring the city's infrastructure and energy supply to match the new demands of the city.

More Renewables and Local Energy

Our ambition as part of our social contract with the city, is to work with local Bristol based communities and generators to deliver even more renewables. This means not only are we supporting Bristol's ambition to decarbonise the city but local communities and businesses are benefiting economically too.

We will support Bristol City Council with the City Leap programme to transform Bristol's energy system

City Leap is an ambitious programme being led by Bristol City Council.

The programme will transform Bristol's energy system and take a significant step towards Bristol's ambitions for Carbon Neutrality. As part of the City Leap programme, Bristol Energy aims to play a key role in the delivery of City Leap:

- Provide the interface between City Leap assets and customers, increasing the positive impact they on Bristol residents energy bills
- Integrate assets, infrastructure and technology to create compelling customer products and services.

- Provide a route to market for new and innovative consumer propositions to create and enhance value.
- Continue to build on our trusted brand to support customer engagement and delivery.

These activities will not only contribute to the success of City Leap, but also further enhance Bristol Energy's unique selling points and value. City Leap will help to unlock Bristol Energy's potential in the future, local energy system as a supplier of services.

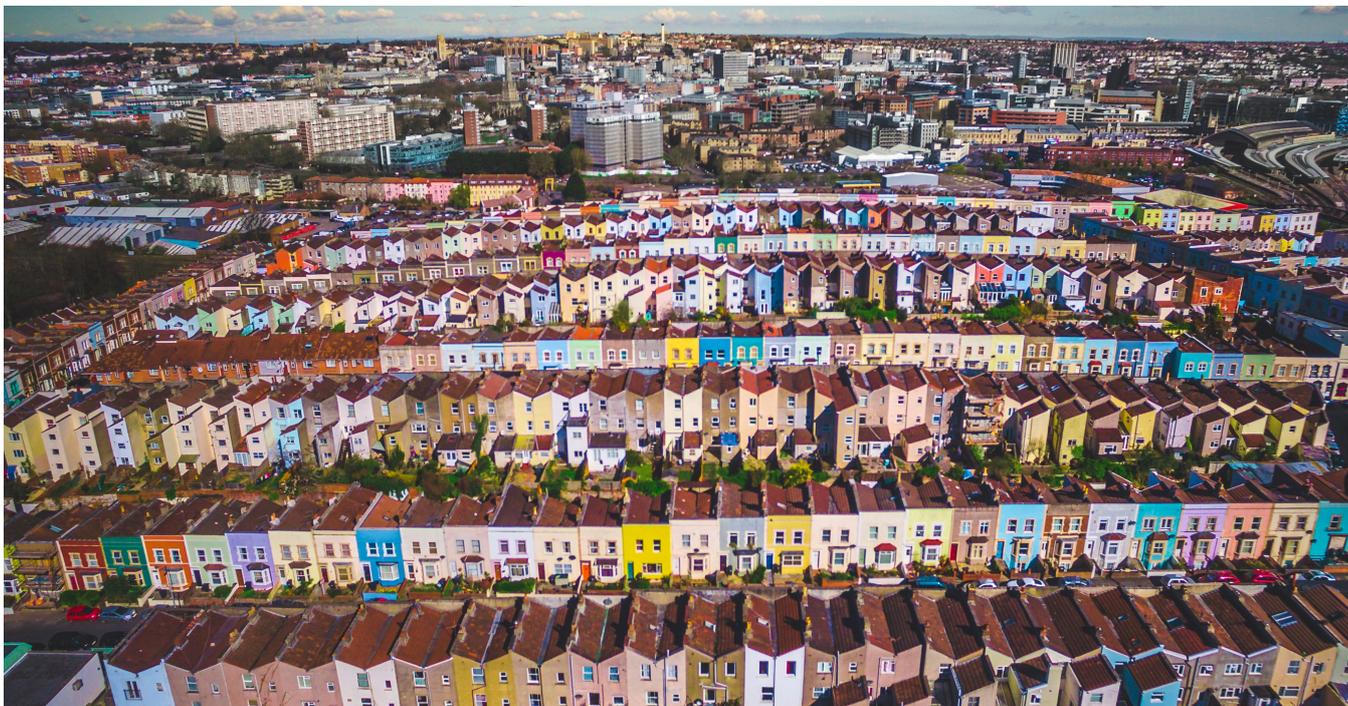


We will drive innovation

With the support of our partners, we will develop new products and tariffs to meet these changing customer needs.

We will invest in trials that allow us to learn more about our customers, how they use our products and the data required to support them in the best way. As a council owned energy company, our mission is to drive technology innovation which benefits everyone. Whether they be in social housing or are using community facilities, we will create a local energy system that ensures everybody will benefit from sustainable clean growth in Bristol.

Our five year priorities



1. Double the social value created for Bristol
2. Support Bristol to meet its carbon neutral targets
3. Achieve profitability
4. Build service propositions that meet our customer needs and deliver additional value
5. Be recognised as a leader in distributed, local energy markets

“Creating a sustainable energy company with social value at its heart.”

Our Team



Marek Majewicz, Managing Director

Marek leads the Senior Leadership Team and business here at Bristol Energy. Marek has over 20 years' experience, operating in senior finance roles across various sectors predominately in oil & gas and energy, working for multi-national companies such as Shell and Orsted.



Nicola Lynn, Strategic Programme Director

Nicola leads teams responsible for structuring, planning and delivering Bristol Energy's portfolio of strategic projects. Nicola has 20 years of experience delivering complex programmes incorporating business systems implementation, process improvements and the associated change management in a range of organisations such as the NHS and Tribal Group.



Ian Parry, Director of Retail

Ian leads the customer focussed and facing teams at Bristol Energy, comprising our domestic products and services. Ian has 20 years of experience in the utilities and finance sectors including working in senior roles for businesses such as British Gas and First Utility and being involved in the launch of innovative energy entrants including Pure Planet.



Lisa Holmes, Chief Information Officer

Lisa leads Bristol Energy's IT and digital teams. Lisa has 25 years' experience working internationally on complex IT projects, including working with Middle East based broadcaster OSN.



Nick Haines, Director of Trading, Commercial and B2B

Nick leads teams who are responsible for pricing, forecasting, trading, origination and business to business sales at Bristol Energy. Nick brings with him over 15 years' experience in energy, sales and product development. Nick previously worked at Good Energy.



Samantha Nicol, Head of Innovation and Marketing

Samantha leads the innovations and marketing teams at Bristol Energy. Samantha has over 15 years' experience in developing and bringing new propositions and innovations to market, consulting for companies including E.ON and Centrica.



Dan Millard, Head of Finance

Dan leads Bristol Energy's finance team. Dan has over 15 years' experience managing commercial and operational finance teams across a range of businesses including Capita, Vodafone and Nationwide.

Appendix B – Details of Consultation

Description of the Business Planning Process

1. At the Companies' AGM's in July 2018, the companies' boards met the Shareholder Group to discuss high level business plan strategies, and since September, the companies have been devising their business plans for 2019/2020.
2. The business plan contained in the appendix has been through an iterative process of design which has included:
 - a. Discussion and challenge at subsidiary board level by Independent Non-Executive Directors
 - b. Discussion and challenge by statutory officers as well as discussion and review by the Shareholder Group.
 - c. A sub-set of Shareholder group advisors, including the Interim Shareholder Liaison Director, Finance Business Partner have met with Bristol Energy to conduct in depth discussions about a number of elements within the business plan. This is in addition to support and challenge being provided by independent consultants to support in the development of the plan.
 - d. Overview and Scrutiny Management Board (OSM) were briefed at a meeting of 27th November 2018, in exempt session, with the Shareholders representative in attendance.
 - e. The Bristol City Council Energy team has been consulted on an ongoing basis with respect to the areas of innovation and strategic alignment.

Bristol City Council Equality Impact Relevance Check



This tool will identify the equalities relevance of a proposal, and establish whether a full Equality Impact Assessment will be required. Please read the guidance prior to completing this relevance check.

What is the proposal?	
Name of proposal	Bristol Energy Limited Business Plan 2019/20 – 2023/2024
Please outline the proposal.	Approval of the 2019/2020-2023/2024 business plan of Bristol Energy Limited. The plan sets out the future direction of the company and how it will operate over the next business plan period.
What savings will this proposal achieve?	Not applicable
Name of Lead Officer	David Lawrence, Interim Shareholder Liaison Director

Could your proposal impact citizens with protected characteristics? (This includes service users and the wider community)
Please outline where there may be significant opportunities or positive impacts, and for whom.
In addition to financial and strategic items contained in the business plan, the plan sets out how it will be commencing innovation programmes which will aim to develop technology and service solutions, and partnerships which aim to offer Bristol citizens, and also the vulnerable the following services in the future: These include: <ul style="list-style-type: none"> - Creating a ‘digital first’ and ‘excellent’ customer experience which also allow ‘non digital channels’ including telephone and face to face customer service centres to provide an inviting service point for citizens, who may not wish to, or be able to access digitally. - Developing safety alerts for vulnerable customers and assisted living / care capabilities for the concerned family members via the new App. - Developing a proposition which supports the vulnerable be supported in their homes - Working closely with Citizens Advice and CSE and other local charities to deliver more value to local citizens - Hiring Local apprentices, holding school and local outreach sessions, and supported volunteering in the community - Focussed targeting of Bristol customers to ensure the economic benefits stay in the City

Please outline where there may be significant negative impacts, and for whom.

None identified

Could your proposal impact staff with protected characteristics?

(i.e. reduction in posts, changes to working hours or locations, changes in pay)

Please outline where there may be negative impacts, and for whom.

None identified

Is a full Equality Impact Assessment required?

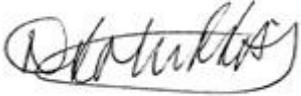
Does the proposal have the potential to impact on people with protected characteristics in the following ways:

- access to or participation in a service,
- levels of representation in our workforce, or
- reducing quality of life (i.e. health, education, standard of living) ?

Please indicate yes or no. If the answer is yes then a full impact assessment must be carried out. If the answer is no, please provide a justification.

No. No issues identified. At this stage the majority of innovations are in development stage only.

Service Director sign-off and date:



Denise Murray 21/3/2019

Equalities Officer sign-off and date:



Duncan Fleming 18/3/2019