

## **Diocese of London**



## **Charity Funding Solutions Utility Price Comparison Service**

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### **What does Charity Funding Solutions do?**

This free service, provided to the Diocese by Charity Funding Solutions (CFS), enables PCCs to:

- Obtain an up-to-date assessment and comparison of utility costs
- Change electricity-billing profiles to achieve enhanced savings
- Compare new offers for contracted or un-contracted energy rates
- Switch providers to obtain best rates and services
- In some cases to access ancillary services such as the installation of smart meters
- Or switch to Good Energy as the Diocese's recommended 'green' energy provider
- Identify and recover erroneously charged VAT or other taxes
- Cut the costs of telephony and broadband (parish offices and clergy houses).

As the energy companies have all announced price increases for winter 2011/12, several with considerable rises in standing charges, it is important that all parishes continue to monitor their energy costs. The Diocese recommends that parishes make use of the CFS service to determine whether or not they can achieve beneficial energy cost savings.

Where a parish decides to adopt a low cost energy tariff which is not a fully 'green' tariff (see Good Energy), that parish is strongly encouraged to neutralise the effect of the associated carbon emissions and become carbon neutral through the Diocese's scheme of Carbon Retirement, part of [Climate Action Plans](#).

### **How does the CFS service work?**

Based on information supplied by each Parish Treasurer or PCC Secretary (see [What should we do now?](#)), CFS will make a check and comparison of what money can be saved.

If this initial check indicates worthwhile savings, Noël Muddiman of CFS will agree with the parish officer concerned how best to present information to the PCC (or GCC or DCC).

Where it is feasible and beneficial to switch suppliers, with the agreement of the Church Council, Charity Funding Solutions will then help with this switching process, and the associated VAT Declaration.

Even churches that have recently switched provider may now find that their tariffs are no longer the most beneficial. Charity Funding Solutions has investigated alternatives, and where appropriate will make a new recommendation to those churches affected. Whether a second switch is beneficial may depend, for example, on the proportion of electricity being consumed at the peak and off-peak rates.

In the unlikely event that there are no savings to be made, the PCC will still have the benefit of an up-to-date price comparison for heat and power for their church.

### What could we get?

Some 50 London parishes have used the service so far. We have found that 75% of existing contracts are providing parishes with no financial benefit whatsoever, and also prevent them realising available savings. About one quarter have been able to switch their supplier already, thus securing immediate savings – several more were free to switch at least one uncontracted supply. Others should be able to do so once existing contracts expire.

Annual savings per parish have ranged from £150 to as much as £3,000 – with an average around £950-£1000 in London, 25% above England as a whole. This reflects the size and useage of many of our church buildings in the Diocese.

An increasing range of beneficial rates are now being negotiated, for churches who are using the CFS service for the first time, or those reviewing their tariff again in the light of recent rises. In some cases, a rebate may be negotiated for churches in respect of a tariff which has become uncompetitive after a recent rise – in addition or as an alternative to making a further switch.

Ancillary services may also be made available. One company is now offering not only a most favourable rate for electricity, but also to install Smart Meters (AMS), at no cost to PCCs, in every church with a supply consuming over 12,000 kWh annually. This enables electricity usage to be viewed in real time, making it much easier to save energy and ensure correct billing.

Several parishes have been found to be erroneously paying the higher rate of VAT and a Climate Change Levy. These overcharges once identified, have been (or are being) reclaimed. Another interesting finding is that [Good Energy](#) (which supplies electricity from 100% renewable sources) is not necessarily more expensive than a church's existing non-green tariff – in at least one case a saving was able to be made.

We therefore have good grounds for thinking that the great majority of our parishes can make significant energy cost savings.

At the very least, PCCs will have the reassurance that their current energy use is fairly priced – though this is the case all too seldom!

### What should we do now?

To make use of the service, treasurers or clergy need to let Noël Muddiman at CFS know:

- Whether the Church/Church Hall/Vicarage has just electricity, or also a gas supply
- The number of separately billed supplies
- Whether or not any of them are tied into a term contract
- The tariff being charged on the most recent energy bill for each supply
- Whether the PCC is paying for telephony/broadband services in the parish office or vicarage.

A specially designed but simple **Parish Utility Costs Survey Form** can be used to collate and send the above information. If unsure about any point, please check with your current supplier – or discuss with Noël Muddiman (contacts below).

Please also send Noël Muddiman a copy of a recent bill if possible.

Then send all this information by email to [admin@cfsolutions.ltd.uk](mailto:admin@cfsolutions.ltd.uk),

Or post to:

**Church Utility Savings, 8 Wyldwood Close, Old Harlow, Essex, CM17 0JD**

Alternatively, telephone **01279 303414**.

## Climate Action Plans

Charity Funding Solutions is part of the Diocese of London's scheme of Climate Action Plans – to save energy, carbon emissions, and costs.

Please see our handy guide, attached to this memorandum, and our dedicated web page at [www.london.anglican.org/Shrinking-the-Footprint-Climate-Action-Plans](http://www.london.anglican.org/Shrinking-the-Footprint-Climate-Action-Plans).

Every parish and PCC should seriously considering opting into Climate Action Plans, including the Charity Funding Solutions service, and Carbon Retirement. No-one should miss out!

## Good Energy

The only supplier of 100% renewable electricity in the UK at present is Good Energy – hence this remains the Diocese's recommended supplier as it offers the closest possible to a fully 'green' tariff. Charity Funding Solutions can help any church switch to Good Energy, and get the right rates.

Good Energy is currently holding its rates for electricity – at the same time that other companies are raising their tariffs steeply. Any margin between non-green tariff rates and the green tariff offered by Good Energy is therefore shrinking fast.

For parishes adopting Good Energy as their electricity supplier, it is not necessary to opt into Carbon Retirement in respect of emissions from electricity consumption.

A full set of 'Frequently asked questions' is included below. Please don't hesitate to contact the Head of Environmental Challenge at [brian.cuthbertson@london.anglican.org](mailto:brian.cuthbertson@london.anglican.org) or (020) 7932 1229, with any other comments or questions, or to discuss how to sign up to Climate Action Plans or Charity Funding Solutions' utility price comparison service. [\[Back to top\]](#)

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## Frequently asked questions

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### *What is Charity Funding Solutions?*

Charity Funding Solutions (CFS) is a small company working with the Church nationally to provide parishes with a bespoke utility price comparison service. The CFS service complements the other energy initiatives underway in the Diocese of London. We have adopted it as a key part of our scheme of Climate Action Plans.

Most churches are paying too much for their energy. Price rises during late summer 2011 have increased energy costs for churches and halls by around 20%. With many churches already paying higher tariffs than they need, this has only exacerbated the situation. The 'big six' energy companies seldom offer their best deals to churches.

So we need help to determine the most advantageous tariffs. For the past several years, CFS has been providing a service to parish treasurers and clergy in a number of Church of England dioceses. The service is now available to parishes in London, in association with our programme of Climate Action Plans, enabling parishes to:

- Obtain an up-to-date assessment and comparison of utility costs
- Change electricity-billing profiles to achieve enhanced savings
- Compare new offers for contracted energy rates
- Switch providers to obtain best un-contracted energy rates
- Or switch to Good Energy as the Diocese's recommended 'green' energy provider
- Identify and recover erroneously charged VAT or other taxes
- Cut the costs of telephony and broadband (parish offices and clergy houses).

[\[Frequently asked questions\]](#)

### *How does the system work?*

Churches who wish to avail themselves of this service will be supplied with a simple **Parish Utility Costs Survey Form**, requesting information such as the last quarter's utility charges. This can be returned by post or email (or information communicated by telephone to Charity Funding Solutions).

CFS will then identify potential savings for the church concerned, and agree with the treasurer/clergy what action to take; for example whether or not to 'challenge' contract rates or to switch provider, if that is more beneficial.

In many cases, churches who are free to switch to a different supplier will be provided with the appropriate forms and VAT Declaration to switch to the best contracted or uncontracted tariff offered to business customers and to churches – depending on the circumstances of each individual supply. Factors to be considered include:

- Whether the tariff is contracted or uncontracted
- Whether a tariff allows churches on multiple rate 03 supplies (those with night and evening/weekend readings), to obtain the more beneficial tariff rates applicable to 04 supplies
- Frequency of billing (eg monthly or quarterly)
- Preferred method of payment
- Quality of customer service
- On-line or telephone access for customers including for meter readings.

Charity Funding Solutions can help any church switch to Good Energy, and get the right rates. Good Energy is the only supplier of 100% renewable electricity in the UK at present – hence this remains the Diocese's recommended 'green' supplier as it offers the closest possible to a fully 'green' tariff.

CFS will agree a format for obtaining PCC agreement, and draft the necessary application and VAT declaration, which they then send to the treasurer for signatures.

[\[Frequently asked questions\]](#)

### *Where do we come into all this?*

The Diocese remains concerned by continuing high energy costs to parishes, and has been seeking ways to mitigate the expense, alongside our Climate Action Plans. We should be able to do both at once.

Quality of service is another consideration. We want to make sure churches get the best of all worlds: cost and service.

Therefore the service is being offered to all London churches, in the London Diocese as part of our scheme of Climate Action Plans.

We think parish treasurers will welcome the service being offered by Charity Funding Solutions, with whom more than one in three other dioceses are currently working in partnership.

Bear in mind that as 'business' energy customers, well over half of all churches are subject to 'lock-in' contracts from one of the 'big six' energy providers. This often gives rise to unfair charging, erroneous billing and protracted disputes. The prevalence of these 'lock-in' contracts means that even when savings are clearly identified, parishes have to await the end of contract before being able to realise them. All treasurers therefore need to be aware of the contract status of their Church.

In addition to tackling inappropriately high tariffs per se, Charity Funding Solutions also identifies erroneously charged government levies, and can offer advice on parish telephony and broadband expenditure. [\[Frequently asked questions\]](#)

### *Can you tell us more about Charity Funding Solutions itself?*

Charity Funding Solutions (CFS) is the trading name of CF Solutions Ltd, a small consultancy established to assist charities save costs. Noël Muddiman CBE founded it in 2004, when he retired as Director of the national charity Motability. The time that Noël gives to the Church is voluntary, and no charges are made for this, any associated travel, postage and telephony costs. Similarly his colleagues providing the CFS service in other dioceses give their time voluntarily.

Originally, CFS was introduced to London and other dioceses by the Church of England's central Procurement Group. Churches in many other dioceses can testify to the value of this service. [\[Frequently asked questions\]](#)

### *Does Charity Funding Solutions take any commission?*

There is no charge or commission to the Diocese or parishes for this service.

It is provided by Charity Funding Solutions entirely free of charge to the Diocese and all churches. In some cases, CFS may be offered a small commission by a company receiving a customer transfer, – still without charge to the Diocese or any parish. [\[Frequently asked questions\]](#)

### *Is there any practical benefit?*

There are many very tangible benefits, the scale of which will vary from parish to parish, depending on current circumstances, tariffs and contracts.

Over 90% of parishes using the service in this and other dioceses so far have achieved savings ranging from £150 to over £3000 annually (compare estimated average energy costs of £6,600 for London churches).

Ancillary services may also be made available. One company which is now offering a very favourable rate for electricity, is now also offering to install Smart Meters (AMS), at no cost to PCCs, in every church with a supply consuming over 12,000 kWh annually. This will give church managers and PCCs exact electricity usage figures in real time, to help them identify peaks and take remedial action. Church treasurers benefit, because it ensures totally accurate billing going forward, and obviates the requirement to take meter readings to maintain the account in good order.

Charity Funding Solutions also helps by identifying erroneous charging of Climate Change Levies and higher rate VAT, as well as unfair contractual terms. It then advises treasurers on the appropriate course of action to make recoveries or 'challenge' existing contracts.

CFS can also offer advice on Church telephony and broadband expenditure.

[\[Frequently asked questions\]](#)

*Will this make our church 'carbon neutral'?*

Not in itself, no. Reducing energy costs does not by itself alter a church's energy consumption, nor carbon footprint.

Utilities companies are regulated by 'climate change agreements' with the government, requiring them to include a degree of greenness in their supplies and services. They can discharge this obligation in a variety of ways, which may be 'dark' green, or a pretty 'pale' shade of green!

However it must be realised that all the electricity produced by any company for grid customers comes through the same wires, is mixed together and therefore has the same carbon content per unit.

Specifically 'green' tariffs seek to overcome this drawback in different ways. Good Energy has been identified as the UK's only company supplying the electricity grid 100% from renewable technology services, either of from its own sites or third-party sites which are also 100% renewable. Good Energy now also supplies gas but only to small customers, mainly domestic. Profits from gas are ploughed back into solar hot water systems.

Therefore the Diocese still offers a recommended deal with Good Energy. This offer remains as an alternative to the Utility Warehouse or other supplier who may be identified by Charity Funding Solutions.

However it is still essential to reduce consumption of gas and electricity, from wherever it has come. The Diocese's scheme of Climate Action Plans also includes drawing up simple savings plans for churches.

Even after reducing consumption, electricity (and gas) from non-renewable sources will still retain their carbon content unabated. To deal with the residual emissions resulting, Climate Action Plans includes a scheme of 'Carbon Retirement', to pay the hidden cost of carbon via allowances from the EU Emissions Trading Scheme (EUAs).

Every church taking part in Climate Action Plans is encouraged to adopt Carbon Retirement as part of the package. The benefit of doing this in conjunction with Charity Funding Solutions, and making no-cost savings, is that these savings should more than pay the cost of EUAs, leaving each church net carbon neutral and with a financial surplus at the end of the year.

[\[Frequently asked questions\]](#)

*What about the Diocese's deal with Good Energy? Is this affected by Climate Action Plans, or the deal with Charity Funding Solutions?*

The Diocese does indeed have an existing deal for parishes to sign up with Good Energy – still the greenest energy supplier in the market: inasmuch as, all the electricity they sell is from renewable sources (solar, wind and hydro). That is to say, the electricity consumed by their customers is made up by supplying the same amount to the grid, from renewable generation sites owned by Good Energy or their own third-party suppliers.

Our deals with Charity Funding Solutions and Carbon Retirement will complement not replace our deal with Good Energy. Signing up to Good Energy remains a valid way to achieve a green electricity supply.

See these links:- <http://www.london.anglican.org/Shrinking-the-Footprint-Action> (under 'More downloads') [www.good-energy.co.uk](http://www.good-energy.co.uk), and/or call 0845 456 1640. Make sure to quote promotional code GE141.

Good Energy now also sells gas. Gas from the grid in the UK is not (yet) green or renewable. However, Good Energy is re-investing its profits from gas in domestic renewable installations (solar hot water systems, to begin with). Gas supplies from Good Energy are currently only available for low consumption levels; this will effectively limit the scheme to domestic accommodation for now – but well worth considering for the Vicarage.

Good Energy's tariffs are not the cheapest – because, as explained, they include the prime cost of carbon-free electricity. However, under government rules, emissions from any green tariff, including from Good Energy, have to be calculated on the same basis as any other electricity bought from the grid, meaning we still can't claim that our electricity is carbon neutral.

The Diocese's [Climate Action Plans](#) puts Good Energy, for the first time, on a 'level playing field' with the best non-green tariff. [\[Frequently asked questions\]](#)

*Does our church have to agree to working with Charity Funding Solutions?*

The service being offered by Charity Funding Solutions is voluntary, it isn't compulsory.

However, it comes close 'no-brainer' status, in US English! We think most church councils will want to take it up – it would be odd not to give it a try.

Charity Funding Solutions are offering their support at no cost, and doing almost all the administrative work entailed in say switching provider on behalf of the participating church.

In addition, we strongly encourage churches who take part to do so alongside the complete Climate Action Plans package.

*Who takes the decision in our church to sign up to Charity Funding Solutions?*

It should be the PCC (or GCC or DCC as appropriate), or the Parish Treasurer if choice of utility provider is delegated to her or him. [\[Frequently asked questions\]](#)

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**Diocese of London  
Environmental Challenge  
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