

# DECC Local Authority Funds

ANNEX A

Application Form

## APPLICATION FORM

**Please note:** completed bids should be submitted by 5pm on 30<sup>th</sup> November 2012 by email to [la.funds@decc.gsi.gov.uk](mailto:la.funds@decc.gsi.gov.uk)

### SECTION 1: To be completed by all applicants

1.1 Applicant Details	
<b>Lead Local Authority</b>	
Name of Local Authority	Exeter City Council
Name of contact within the Local Authority	REDACTED
Address	Exeter City Council, Civic Centre, Paris Street, Exeter EX1 1JN
Telephone number of contact	REDACTED
Email address of contact	REDACTED
<b>Other participating Local Authorities</b> (add rows as needed)	
Name of Local Authority	
Name of contact within the Local Authority	
Address	
Telephone number of contact	
Email address of contact	

## 1.2 Proposal Summary

**Describe the proposal and how it will be delivered. What will it achieve? Who will it benefit? (max 300 words)**

Exeter Together has been developed by Exeter City Council and UK Together to provide Exeter's 120,000 residents with an opportunity to participate in collective switching, and also to join in a combined switch with other areas of the UK.

The project partners in Exeter Together include UK Together (a partnership between energyshare, the Eden Project, and uSwitch, supported by Cornwall Council), and others including Exeter CVS, Exeter CAB and Exeter Age UK.

Exeter has an above national average number of households in fuel poverty (over 18%) and a large private rented sector. There is a high level of deprivation in Exeter, with 9 LSOAs being amongst the most deprived in England using the IMD. Fuel poverty is a significant issue for many households in Exeter. The Council is committed to providing a safe and secure home for citizens, and getting best value for the tax-payer by improving the delivery of its services and investing sustainably and strategically to secure the future of the city. Enabling communities to exert influence over the price of a basic need such as fuel, helps achieve the aims set out in the Administration's manifesto.

We will bring together individual participating households to form a collective, separated into different groups based on their preferences, fuel type and payment method. Energy suppliers will be able to bid for each lot by putting forward their most competitive offer. The lots include households on dual fuel and single fuel tariffs, households that are on a pre-payment meter and those wishing to choose a renewable energy tariff; ensuring that each household is given the best deal possible. All households will also receive a whole of market comparison, to ensure that they are advised of the best deal available to them if this happens to be outside of the collective switch.

## 1.3 Stakeholder Engagement

**Describe how your proposal has been developed and will be delivered with local partners – to ensure that delivery of measures reflects local conditions on the ground. (max 200 words)**

### 1.3 Stakeholder Engagement

The project will need to reflect the needs of the local communities and have the support of key local, relevant organisations in order to generate significant levels of participation. By working with UK Together (an experienced national energy purchasing collective with a local focus) the local expertise and knowledge of Exeter City Council will be combined with the resources and experience of larger delivery partners, to secure the maximum benefits for local residents.

The Council and UK Together will work closely to identify additional local delivery partners to assist with delivery and to help achieve high levels of community engagement, with a key priority being the identification and targeting of vulnerable residents. The partners will develop a strategy to locate and support those households in fuel poverty or in receipt of benefits and those on a low income, as well as those without access to the Internet or using prepayment meters. This will include referrals from local community centres in some of the most deprived areas (including Wonford, St Sidwells, St Davids and Exwick), NHS Trusts, the CAB and other debt advice services, church groups and parish councils, large employers, educational institutions and local charities and community groups.

### 1.4 Value for Money

**Demonstrate how the proposal will ensure value for money and generate net benefits.**

Value for money will be achieved by adapting and utilising key UK Together assets and resources, which were developed as part of Cornwall Together, through the use of a bespoke UK Together toolkit. Tools include web functionality, marketing and communication materials, legal templates, management support, and open access to a UK Together Hub, and will ensure our scheme is deliverable within the set timescales. Exeter Together will also utilise local resources allocated to Cornwall Together, meaning significant efficiency savings will be made. This will allow us to focus on ensuring that the resources best meet the needs of Exeter's residents and that maximum resource is allocated to helping reach and engage our most vulnerable households.

The Councils and UK Together plan to work closely with a variety of relevant local organisations, including Exeter CVS, Exeter Age UK, Exeter Community Initiatives, Exeter CAB and community centres located in the most deprived areas of the city. This will help ensure additional value for money due through efficiencies in delivery as a result of their detailed local knowledge and where the scheme stimulates demand for additional services (such as energy efficiency measures) through the holistic approach, the local economy will benefit. In addition, an agreed percentage of the switch fees generated through the project will be used to support a fuel poverty fund, to help maximise the benefits for local people and facilitate the desired holistic approach to reducing energy bills through other means, e.g. income maximisation services.

The project will draw on the experience of UK Together in the delivery of Cornwall Together,

## 1.4 Value for Money

and the Council will work closely with the UK Together team to identify the most effective approaches to delivery, ensuring value for money is considered in all decisions.

The UK Together model of harnessing national partners and market power whilst focussing on local delivery will enable us to ensure that we achieve good value for money in negotiating the best deals for our residents whilst ensuring operational best value. We will also combine our switch with other UK Together projects to aggregate a potentially large number of households across the UK, to try and ensure an enhanced offer from energy suppliers; potentially delivering even greater savings for our residents through increased competition. This will help to provide best value and will support our aim of helping to bring people out of fuel poverty.

The project will also utilise existing partnerships and channels that focus on older people, health and affordable warmth and will involve signposting and referrals to these organisations are made where appropriate. This will help to ensure value for money, as vulnerable residents will potentially see wider benefits from their engagement with the scheme. The Council is the lead partner in the CosyDevon insulation scheme which has delivered 15,000 energy efficiency measures throughout Devon (3,500 in Exeter) over the past 3 years (the partnership is made up of the 8 district councils and 3 Unitary authorities with CERT funding provided by E.on and has potential to act as a vehicle for expanding delivery of the scheme to other Devon local authority areas. The Council also works in partnership with Dorset Energy Advice Centre to deliver a landlord energy efficiency scheme, (PLEA) funding insulation and boiler replacement in privately rented properties. Over 500 properties have benefited from one or more measures over the past 4 years and referrals to these schemes will form part of the referral network and help to ensure wider net benefits and additional value for money.

## 1.5 Project Milestones

**Please give a brief summary of the key milestones from your project plan (including dates). The project should plan for delivery by 31<sup>st</sup> March 2013. Describe briefly who will deliver it and what will have been achieved by that date and an assessment of the risks to delivery.**

## 1.5 Project Milestones

All elements of the project will be delivered by the key partners; Exeter City Council and UK Together. UK Together's constituent partners are energys**hare**, the Eden Project, uSwitch and Cornwall Council. A wide range of additional local partners will also be involved in delivery.

**December 2012** - Identification of existing and prospective local partners, initial project meetings, production of marketing strategy and full week-by-week project plan, development of website and digital platform, set up and testing of Freephone number and marketing materials (e.g. Freepost flyer) and other internal processes.

**January 2013** – Auction held, official launch of scheme, various local events held, online/social media campaign starts, intensive radio/tv campaign starts, progress meetings held.

**February 2013** – Further progress meeting, push on marketing and advertising as end date approaches. Initial evaluation of marketing channel success carried out and strategy revised if required.

**March 2013** – Offer letters sent, offers accepted, switches carried out, evaluation starts, phase 2 plans commence.

The risks to delivery are similar to any project administered by a Local Authority that relies on external delivery partners and successful resident engagement. These include:

- Non-delivery by external partners – By choosing to work with UK Together our project benefits from working with energys**hare**, the Eden Project, uSwitch and Cornwall Council, who collectively delivered the only regional switching programme in the UK to date. By choosing experienced partners with experience of developing and delivering a Local Authority-led collective switching scheme who have the infrastructure and resources in place as well as the expertise we are confident that the scheme can be delivered in the tight timescales specified.
- Low levels of resident engagement – The scheme's success will depend on significant

## 1.5 Project Milestones

numbers of households across the area signing up and switching energy supplier. To ensure that participation levels are high we will work closely with UK Together and our local partners to develop a comprehensive promotional strategy to ensure that we reach all residents and that messages are tailored to different groups and communicated clearly. And progress against this will be assessed at regular intervals.

## 1.6a Proposal Funding

**DECC has three funds from which Local Authorities can bid for support. Please indicate which fund(s) you would like to bid for (and the amount) in the table below, and continue on to the relevant part of the application form.**

Fund	Funding (£000s)			Complete...
	Capital	Programme	Total	
Fuel Poverty Fund	0	0	0	Section 2 + 6
Green Deal Fund	0	0	0	Section 3 + 6
Collective Switching Fund	0	160.07	160.07	Section 4 + 6

## 1.6b Other sources of funding (where applicable)

**Please provide details of other sources of funding for the project.**

Funding source	Capital	Programme	Total

**1.6a Proposal Funding**

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## SECTION 2

## SECTION 4

### ‘Cheaper Energy Together’ Scheme

#### 4.1 Engagement with Vulnerable Consumers

**Describe how the proposed scheme will effectively engage with vulnerable consumers and the approaches that will be taken. Describe who the customers are and how many you expect to engage with. (max 200 words)**

A range of strategic partnerships are essential to engaging the entire community in collective switching and also ensuring that the right approaches are taken when identifying and supporting vulnerable households. UK Together’s ability to build effective partnerships with key organisations will help to ensure a wide variety of targeted engagement activities. Local partnership organisations such as Exeter Age UK, Exeter CAB and Exeter Community Initiatives will provide their dedicated local knowledge of communities and help provide access to some of the hardest to reach households.

Although open to all, Exeter Together will focus effort on disadvantaged communities and those where additional support services are required. Vulnerable households will be offered a variety of engagement methods, including face-to-face events, Freephone number, Freepost and online enrolment.

We will ensure that the estimated 18.7 % (7,785) of private sector households currently in fuel poverty and those households on low income and/or receiving benefits are targeted as a priority. Many of these households are on pre-payment meters and will be strongly encouraged to participate in the switch. We estimate that 8000 vulnerable households will participate in the scheme and hope that 1600 will switch supplier.

## 4.2 Innovation in Design of Scheme

**Describe how the proposed scheme will demonstrate innovation – in the design of the scheme and in the ways of engaging with consumers. (max 200 words)**

Through Exeter Together potential participants will be categorised, each with a specific approach and messaging. These are:

- Those in fuel poverty (specific)
- Those interested in green energy (specific)
- Those who wish to save money (broad)

We will use a combination of tried and tested media channels as well as social media, supported by our own, dedicated Exeter Together website and digital platform.

Additional elements of project innovation comes from the recycling of a proportion of switch fees to further support local residents through a dedicated fuel poverty fund and the opportunity, as part of UK Together, to aggregate our local interested residents with those from other projects across the country. This will not only allow us to secure the best value for our residents for their switch, but will also help to establish relationships with other local authorities that will help us share best practice for further phases. We have also agreed to pilot a new switch model using feedback from Cornwall Together to try and ensure an enhanced rate of sign ups and switches. This involves an upfront auction and allows us to communicate potential savings upfront to residents; a new model for collective switching.

## 4.3 Strategic Fit

**Describe how the proposed scheme will take a holistic approach to reducing consumers' energy bills. (max 200 words)**

Fuel poverty can be tackled in three key ways; reducing energy charges, improvement of domestic energy efficiency (through both the installation of energy efficiency measures and behavioural change) and improved financial inclusion. Exeter Together is a collective switching scheme, so its primary focus is to help households reduce their energy costs by way of a cheaper deal on their gas and electricity bills through negotiation of a reduced tariff with energy suppliers.

It is key to our aims that the opportunity to help reduce the energy bills of participants further is not missed and that participating households are offered various options and support to reduce their energy bills further.

Exeter Together will ensure that households are provided with options that help them to both improve the energy efficiency of their home and improve their financial situation, to ensure a holistic approach. This will include referrals to debt services and benefits advice, energy efficiency advice, advice on payment options and initiatives such as the Warm Homes Discount Scheme and assessment for grant funding through existing referral mechanisms, such as CosyDevon.

## 4.4 Evaluation

### Describe how the scheme plans to capture and share learning. (max 200 words)

We will undertake a qualitative and quantitative evaluation covering both the project operation and an evaluation of the primary delivery and strategic objectives; throughout the scheme and at the end of the switch cycle. The initiative will capture learning via a shared framework across the project team and other partners and will work alongside KPIs built into the registration process, all of which will be developed into a user-friendly guide.

Key indicators to be established in order to evaluate the success of the project in meeting its objectives. These will include:

- Percentage of the region's population who participated
- The advertising/marketing tone most successful for conversion
- Number of participants on/offline
- Number of prepayment customers
- Percentage of households who did/did not switch and why
- The average saving and the level of saving triggered a switch
- Whether added value measures such as insulation measures were adopted
- Which household types saved the most (helping to better target communications in future phases)

A questionnaire will also be sent to all participants after the final milestone to capture further information on referrals and general feedback will be encouraged via an email address. All learning will be disseminated for the benefit of future project development.

## 4.5 Transparency

**Describe how the proposed scheme will communicate transparently to ensure consumers are informed and understand it, and are provided with key pieces of information – such as any expected savings to be made by switching – that are accurate and not misleading. (max 200 words)**

A style guide outlining key messages and wording will be agreed, based on local information and industry research and best practice. UK Together specialise in communication and media and will provide on-line support and resources during the switching process, including information about sign-up numbers, practical details relating to the campaign and information about any fee structures in place. For those without internet access, a support team will be available by phone and at pre-arranged drop-in centres and sign-up events. Once signed-up, customers will be regularly updated via emails or postal correspondence. Partnership organisations will also play an important role in disseminating the key messages and will receive appropriate training and support.

Customers with complex, technical queries will be directed to uSwitch via UK Together, who are accredited by the Consumer Focus Code of Practice (meaning they adhere to all the guidelines provided on the provision of advice to customers, that all advice is in plain English or via a range of alternative communication methods where required).

All households will also receive a whole of market comparison in addition to their Exeter Together tariff quote, to ensure complete transparency and that the resident is always advised of the best deal.

#### 4.6 Project Costs

**Provide brief details of the main activities that funding is requested for and the costs of the project.**

<b>Deliverable</b>	<b>£000s</b>
a.Orientation & training sessions for project delivery	REDACTED
b.Logo & branding design work, media templates to deliver branding. Media & branding management	REDACTED
c.Website development and communications. Design of social media assets, email communication templates. Integration with 3 <sup>rd</sup> party switching provider	REDACTED
d.Development and delivery of UKTogether website with functionality for blogs, knowledge share, etc.	REDACTED
e. Expertise input from `Cornwall Together (CT) to assist strategic leadership of project. UK Together management of local project manager and scheme	REDACTED
f. Use of review on Round 2 of CT – focus on innovation and targeting vulnerable groups. Scheme evaluation and report.	REDACTED
g. Media and marketing campaign roll-out, including intensive local radio campaign, Adshell advertising, advertising on council vehicle, advertising on local buses.	REDACTED
REDACTED	REDACTED
<b>Total cost of project during 2012-13</b>	<b>133.39</b>
<b>VAT (NB Clarification sought on whether applicable)</b>	<b>26.68</b>
<b>Total funding contribution required from DECC</b>	<b>160.07</b>

## SECTION 5

### Renewable Heat Survey - Optional

DECC is seeking information to inform our policies on support for renewable heating. We have included this short survey to gauge interest levels amongst Local Authorities in developing the local renewable heat market.

**Do you have any interest in developing the local renewable heat supply?**

**YES/NO**

**If 'yes', please describe any plans you have, INCLUDING plans that have not been developed due to lack of funding.**

**If applicable, what benefits do you aim to achieve through developing local renewable heating? (Please select all that apply)**

<b>Tackle fuel poverty</b>		<b>Support for technical innovation</b>	
<b>Reduce emissions from heating</b>		<b>To engage local people</b>	
<b>Support for local installers</b>		<b>To gain learning about renewables</b>	
<b>Other (please elaborate)</b>			

**What funding might be required to deliver these plans?**

**(This will give us an indication of the scale of your ambition)**

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**If applicable, have you encountered any difficulty securing funds?**

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## SECTION 6

### To be completed by all applicants

#### 6.1 Declaration

The project funding that is being applied for is to fund either a new project in relation to which no funding has been allocated or to extend an existing project. The funding will not be used to replace existing funding for a project.

We confirm that local and community organisations are involved in the design or delivery of this proposal, where appropriate.

We confirm that the proposed use of the fund will comply with all relevant requirements of EU law (e.g. relating to procurement and State Aid law).

<b>Name</b>	REDACTED
<b>Title</b>	Assistant Director Environment
<b>Local Authority</b>	Exeter City Council



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Department of Energy & Climate Change  
3 Whitehall Place  
London SW1A 2AW  
[www.decc.gov.uk](http://www.decc.gov.uk)

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