

DECC Local Authority Funds

ANNEX A

Application Form

APPLICATION FORM

Please note: completed bids should be submitted by 5pm on 30th November 2012 by email to la.funds@decc.gsi.gov.uk

SECTION 1: To be completed by all applicants

1.1 Applicant Details	
Lead Local Authority	
Name of Local Authority	The Association of Greater Manchester Authorities (AGMA) , led by Oldham Council (Oldham, Bury, Bolton, Manchester, Salford, Tameside, Wigan, Stockport, Rochdale and Trafford)
Name of contacts within the Local Authority	(Chief Executive, Oldham Council,
Address	Civic Centre, West Street Oldham OL1 1UJ
Telephone number of contacts	
Email address of contacts	
Other participating Local Authorities- see above.	

1.2 Proposal Summary

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

AGMA's 'Giving Confidence to Switch' scheme which builds on the most successful national switching scheme run by Oldham, will harness the spending power and engage 1.2 million households across ten local authorities, and many others nationally, in collective action to:

- get fair access to cheaper energy
- increase carbon literacy including; smarter energy buying, changing lifestyles and homes to become more energy efficient through the Green Deal
- tackle fuel poverty.

This will be the latest in a number of DECC funded schemes that GM have effectively deployed in addressing a range of issues, including those targeting fuel poverty.

Objectives are to:

- Sign up 100,000 households in Greater Manchester across two energy auctions.
- Target the 241,000 households in fuel poverty and aim for 20% of total sign-ups from these groups.
- Make significant savings on energy bills, putting an estimated £17m back into the local economy*.
- Target residents on pre-payment meters and those with existing energy debt.
- Reinvest finder's fees in the creation of an innovative community benefit scheme with a focus on tackling fuel poverty and encouraging community energy schemes.
- Be used to roll out energy switching to other areas across the UK, working links made already with 35 local authorities. This will be delivered through support products and advice available to other organisations.
- Develop a network of educated consumers able to participate in future low carbon initiatives. This will help to anchor investment for these schemes.

(* Oldham's pilot auction achieved an average saving of £171)

The scheme will:

- Provide online, face-to-face and telephone sign-up opportunities and more tailored support for those in fuel poverty, in debt to energy companies or on pre-payment meters via community engagement and support from the GM Energy Advice Centre.
- Use trusted voices including community, voluntary and faith sectors and other public sector staff (Fire authority and NHS) as well as trusted media partners (MEN and Key

1.2 Proposal Summary

103) to promote the campaign.

- Use experienced local authority staff who have daily contact with residents to promote the scheme and help with the sign up
- Deliver a mix of advertising, PR and digital marketing to achieve sign-ups across all communities, social scales and ages.
- Support energy market reform through collective purchasing which will ensure that in future consumers have easy access to fair energy prices.

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)

GMCA and AGMA already provide a fully integrated development and delivery model across the public, private and third sectors, with a robust and successful track record of cross-sector campaign delivery.

Public Sector Partnership

AGMA brings together all major public sector organisations including Fire, Police and NHS who are using their own resources to support the campaign and signpost vulnerable residents and staff (e.g. GM Fire will directly promote the scheme to their 160,000 contacts via calls and visits).

The GM Energy Advice Centre, a service funded by AGMA to promote energy awareness and provide free information on energy saving, will play a key role in delivery.

Third Sector Partners

Voluntary, community and faith groups will ensure a reliable and trusted voice for the campaign. Groups like Groundwork, Age UK and CAB will signpost residents and hold sign-up events. These groups, alongside councillors are familiar with local areas and can deliver grass roots impacts in the more deprived wards.

Private Sector Partners

As a key part of our City Region governance, major and local businesses are supporting the campaign – from actively encouraging sign-ups among their staff to marketing the scheme to their customers.

In kind support has been secured from Mouchel Group to provide call centre capability to handle volume calls.

1.3 Stakeholder Engagement

We have secured two key media partners, Trinity Mirror Group through the Manchester Evening News and Key 103 who are helping to promote the campaign.

1.4 Value for Money

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

Building on the huge success and the lessons learned from the recent Oldham switching campaign, 'Power to the People' we are scaling up across GM to harness the market power of 1.2 million households in a concentrated geographical area.

This will be achieved by leveraging the resources and infrastructure of the ten Greater Manchester authorities and private and third sector partners including; staff time, our existing call centres, the GM Energy Advice Centre and other information access points such as libraries and community centres.

Ensuring value for money

- Delivering savings to residents

- It is estimated that each household could save on average £171 per annum (based on the results of the Oldham scheme). Our campaign aims to get 100,000 sign ups from the two initial auctions delivering millions of pounds of potential savings direct to residents.
- Following the initial two auctions (subject to this funding bid) AGMA commits to build on the development and momentum of the scheme and fund a further two auctions before March 2014 – ensuring lasting benefits for residents
- Manchester's existing specialist Energy Advice Centre will help customers, including those that decide not to switch, access other fuel poverty projects/advice, for example, free home insulation schemes, Oldham's Fuel Poverty Pilot scheme and Green Deal.

- Efficient project development and management

We will:

- Use established expertise and infrastructure wherever possible including call centre capacity, customer relationship management systems and licences. This will avoid substantial start up costs.
- Co-deliver the campaign using existing communication and marketing channels and customer information meaning only a small proportion of overall household contact costs are attributed to the DECC funding.
- Use a professional project management approach throughout project inception and delivery including Chief Executive led steering arrangements, detailed resource planning, project planning and risk register.

1.4 Value for Money

- Use and share learning from Oldham Council's successful marketing campaign which has attracted nearly 9,000 switchers in just six weeks. A forensic analysis of the success of each form of marketing will mean only the most cost effective marketing techniques will be used to attract potential switchers - with a focus on those in fuel poverty.
 - Use community groups and voluntary sector organisations to deliver low cost grass roots interaction through 'door knocking' and sign up campaigns in areas of high fuel poverty.
 - Using existing, highly trained public sector staff in customer facing services (libraries, sports centres, community centres etc) alongside our existing call centre and online customer access channels to deliver consistent messaging at no additional cost.
 - Use AGMA's existing, specialist Energy Advice Centre, with more than 15 years of experience in delivering energy and fuel poverty advice and initiatives, to handle calls. The campaign will be promoted to the 24,000 households already supported by the Advice Centre every year.
 - Manage the funding provided by DECC through Oldham's award winning Finance Team. The funding will be subject to Oldham's audit process which is rated excellent by the National Audit Office in regards to the speed and accuracy of its audit process. We will drive value for money throughout these processes.
- Benefit in kind**
- Existing commercial and in-house marketing facilities will be used and provide a resource of an equivalent value of £62,000. For example, GM Fire Authority will sell the scheme to 160,000 residents using their call centre and an additional 60,000 residents through home visit programme.
 - We have procured a trusted energy brokerage partner for the GM scheme and the innovative style of ITT and contract being used provides excellent value for money for DECC, as GM has let the work in such a way as to allow its adoption by authorities across the UK, making significant public sector savings in respect of procurement, legal and financial fees.
 - Our work to deliver Oldham's pilot scheme as well as our preparation for this GM wide scheme means we can offer an off the shelf solution to other authorities wishing to run similar schemes. This includes artwork, marketing and communication plans, call centre scripts and staff training and briefing materials.
- Informing future policy**
- While acknowledging the need for cost recovery and business growth in partners, values of transparency, inclusivity and fairness have been built in as core requirements to the ITT and subsequent contract to enable a deeper understanding of the value chain.
 - The process and contract is being designed in such a way as to place consequential requirements on energy supply companies regarding transparency of payments and pricing, and to reduce the risk of variable supplier-broker incentives distorting competition. Specific mechanisms to promote access by metered, fuel poor, fuel debt and vulnerable residents are embedded in the ITT and subsequent contract.

1.4 Value for Money

- As well as helping to ensure value for money it will also provide early market intelligence for DECC and OFGEM on whether requirements to trade fairly, transparency and offer services to the vulnerable cause companies to avoid participation. It will also provide the potential for developing future contracts for collective buying by residents which provides a long term anchors for investment in renewables, fuel poverty and other measures.
- We will share evidence of impact in respect of addressing fuel poverty, increasing household incomes and encouraging engagement with all interested parties locally, regionally and nationally to inform cross-cutting work on preventative agendas.
- Our embedded monitoring and evaluation approach will provide useful data on the effectiveness of different engagement and marketing techniques on different audiences. This can be used to inform future energy campaigns across the UK.
- Both the Oldham pilot and GM wide scheme will provide enormously valuable evidence and experience on the willingness and capacity of the energy market to co-operate and support innovative energy purchasing. We will share this with DECC via our Pioneer Cities partnership and directly.

- Generating net benefits

- The GM Energy Advice Centre will offer expert advice and support which could not be replicated by general call handling. Staff equipped with over £500,000 of training and experience in areas such as fuel poverty, Green Deal assessment, fuel debt and energy efficiency is available to callers.
- The planning, focus and delivery of the scheme will ensure that households currently experiencing fuel poverty will benefit both directly and indirectly. Establishing an investment fund from any finder's fees gives a further and on-going opportunity to tackle fuel poverty, increase carbon literacy and support low carbon priorities across the sub-region.
- The scheme will work with residents to generate a fair energy deal built on trust, this approach will give residents another way to save money while being given tailored energy advice and, where required, bespoke support. It will act as a key entry route for the cross promotion of wider low carbon and energy initiatives including green deal, fuel debt, carbon literacy and home safety.
- The AGMA scheme will build on the Oldham switching project to a wider market across Greater Manchester's 1.2 million households. Experience, knowledge and resources will also be made available to other Local Authorities in order to develop quickly a larger, national collective. DECC funding would support and fast-track the extension of this success and has the potential to be taken and replicated, thereby ensuring the maximum number of consumers have the opportunity to benefit from energy switching.
- Subject to DECC funding the GM local authorities are committed to continuing the scheme beyond March 2013 and will complete at least two further auctions by March 2014. This will build on the development work enabled through the funding and use our own resources.
- Data collected through the project will be used to further promote the low carbon agenda and it is our intention to perform detailed analysis of the effectiveness of energy switching

1.4 Value for Money

to promote carbon literacy and energy awareness. The output of this analysis will be made available to DECC.

- The income generated by the campaign will be used to create a unique low carbon investment fund, structured across AGMA but with local beneficiary arrangements – building on AGMA's unrivalled track record of delivery on low carbon issues and focusing on fuel poverty.
- The scheme will strengthen our partnerships with community groups and voluntary sector organisations to deliver grass roots interaction.
- The process of establishing a collective campaign presents a real opportunity for Local Authorities to reconnect with communities and build positive relationships. It presents a vehicle for driving behaviour change in respect of energy consumption and builds a large database of contacts for the channelling of further information and advice around the low carbon, and other, agendas.

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 31st 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.

The project plan for the AGMA Scheme has under several key milestones. These are briefly discussed below. Our detailed project plan in Gantt chart form can be found in Appendix A.

A project team structure has been developed with input from across the AGMA authorities with a central steering group headed by the Chief Executive of Oldham Council. All actions on the project are coordinated by one of the four project workstreams:

- Procurement and Legal
- Finance and Commercial
- Communications and Media
- Community Benefit

These groups are comprised of team members across AGMA.

Milestone: Procurement of an energy switching provider

Dates:

Issue of tender documents: 30/10/12

Return of Tenders: 16/11/12

Intent to award: 30/11/12

Ten day standstill period commences: 01/12/12

1.5 Project Milestones

Summary: AGMA has run a tender exercise to select an Energy Switching provider. A tender exercise was not required for the selection of an energy switching provider however it was felt that this would allow us to determine the best and most reliable operator to provide the services and allow other councils who may wish to join the AGMA process comfort that AGMA has conducted a rigorous process to select a switching provider. This work is delivered by the Oldham Council Procurement Team and led personally by the Head of Procurement

Milestone: Soft launch media campaign

Date: Commences 10/12/12

Summary: To build on the success of the Oldham Energy Switching project and to maintain momentum in the locality the media campaign will soft launch at the beginning of December. This will involve initial comms in local media ahead of the full campaign launch.

Milestone: Stakeholder training days

Date: 17/12/12

Summary: Training will be rolled out to front line staff across AGMA authorities and partner organisations who will have contact with members on the public on energy switching. Staff will be trained to sign up members of the public to the energy switching scheme, advise on the scheme's outputs and signpost to residents to the Manchester Energy Centre for detailed energy advice. This will be centrally coordinated by the project manager, switching provider who will provide the training and communications workstream who include comms staff from each of the AGMA authorities

Milestone: Receive notification of funding support

Date: Week commencing 17/12/12

Summary: We are advised by DECC that notification of funding support will be received during the week commencing 17/12/12.

Milestone: Commence marketing campaign

Date: Commences 21st December

Summary: The notification of successfully achieving funding support from DECC will trigger the start of our marketing effort. A full marketing campaign has been devised and coordinated with our media partners. Our marketing campaign will commence in December to deliver the maximum sign-ups for our January auction and to take advantage of the expected lull in news media output during the Christmas period, thereby allowing greater coverage of the of the energy switching campaign. This will be coordinated by the comms workstream in liaison with our media partners in line with our marketing strategy.

Milestone: Commence Face to Face Engagement

Date: Commences 21st December

Summary: A door knocking campaign will target the wards which are the most fuel poor, and least likely to access traditional media across AGMA. The door to door engagement

1.5 Project Milestones

campaign will run in tandem with the media campaign to maximise its impact. The door knocking campaign will aim to signpost residents to sign up via our webportal and will be coordinated around sign up events in local libraries and community centres. The door knocking exercise will take place over three weeks and will be coordinated by colleagues in the Energy Advice Team and by the Comms workstream lead to ensure that appropriate arrangements are made for areas which other languages than English are common.

Milestone: First Auction

Date: 29th January 2013

Summary: The first auction is scheduled to take place at the end of January. This date was chosen as it is early in the year to allow residents to have the maximum financial benefit from switching during the winter and to align to our switching providers' timetable to enable to the AGMA residents to go into an auction with others around the UK. It also takes advantage of the likely lull in news coverage over the Christmas period allowing greater media coverage of the campaign.

Milestone: Evaluation

Date: Commences 17th January

Summary: The auction evaluation will consider the outputs of the campaign both qualitative and quantitative in regards to the effectiveness of media and face to face engagement on volume of sign ups and the likely savings for residents. Additionally, detailed analysis will be undertaken with colleagues at the GM Energy Advice Centre around the volume of residents who have received advice around carbon literacy and fuel poverty. This work will be carried out by the Finance workstream in partnership with the Energy Advice Centre.

Milestone: Second Auction

Date: 25th March 2013 (tbc)

Summary: The second AGMA auction is planned to take place at the end of March. This will allow a newly focussed communications and marketing effort in regards to the second auction and the take on of lessons learned through the first auction.

Milestone: Evaluation following second auction

Date: Commences 26th March

Summary: The second evaluation will build on the first evaluation with new data as a comparator and will look to further develop the action plan for the planned auctions in winter 2013/14

Risk

As part of the project management of the campaign a full risk management exercise has been undertaken. This exercise has focussed primarily on campaign success particularly in regards to engaging with residents to encourage sign up and to ensure the most vulnerable residents are reached by the campaign and that energy advice can be accessed by those

1.5 Project Milestones

requiring it. A full risk and mitigation register had been created. This is a working project management tool that is formally reported on at each project board.

Suggested Payment Schedule.

We would suggest the following payment schedule aligned to key project milestones:

1. Suggested Grant Payment 1 60% - call centre open and commencement of media campaign
2. Suggested Grant Payment 2 30% First Greater Manchester Auction
3. Final payment 10% second GM auction – 21.3.13

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	(Separate bid being submitted on behalf of AGMA)			Section 2 + 6
Green Deal Fund				Section 3 + 6
Collective Switching Fund		438	438	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

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)

The 'Giving Confidence to Switch' scheme will be marketed to all GM's 1.2 million households but will include direct targeting of the 241,000 households in fuel poverty (via Home Energy Efficiency database). Anyone can join our scheme irrespective of housing tenure.

Our long established network of public and third sector partners will provide a trusted intermediary and will support the identification and engagement of vulnerable groups.

Where we already engage with vulnerable residents, for example, the Department of Health 'Warm Homes: Healthy People' project we will cross refer people between projects for maximum added value.

Research and experience from Oldham's pilot scheme shows that engaging and signing up those in, or at risk of, fuel poverty requires greater levels of intervention than other groups of residents.

Most switching schemes are online. Vulnerable people face barriers including literacy, computer access and language. The mix of face to face (events, drop-in sessions at community facilities, home visits) telephone, online and print will ensure that there is an effective approach to engaging vulnerable groups.

Key switching barriers include residents on pre-payment meters and fuel debt – we will provide a bespoke service to customers facing these issues using appropriate engagement and marketing techniques.

The two auctions supported by DECC funding seek to sign up 100,000 households, proactively targeting 20% (20,000) sign-ups from vulnerable households.

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)

Scheme design:

Our partnership approach (across private, public and third sectors) will mean our scheme will be the largest local authority led switching campaign to date targeting 1.2million households.

Our unique commissioning approach (employing a completely transparent procurement exercise) has been designed to enable early adoption by other local authorities without the need for separate procurement and thereby gives the potential to significantly grow the national collective for each auction.

Our finder's fees will be re-invested back into a GM fund to support low carbon projects with community benefit using an innovative investment model. This model combines efficient central management with local determination of spending priorities.

Engaging with consumers:

Our Marketing and Communications takes a unique multi-sector approach to engaging with residents. This extensive network of engagement provides a range of trusted voices already active in the communities we are targeting.

This approach also includes the use of our existing Energy Advice Centre to cross sell additional fuel poverty, fuel debt and energy efficiency support to households interested in the scheme.

The effectiveness of our innovative marketing approach can be seen in our successful Oldham scheme achieving 9,000 sign-ups from a single authority including nearly 300 pre-payment customers; the highest local government sign-up rate for an energy collective do date.

4.3 Strategic Fit

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

While the primary aim of the project is to educate residents about the benefits of energy switching and drive sign up to the collective switching scheme, we will also use our contact with residents to signpost them to other green services and energy advice available. This support will be delivered through GM's Energy Advice Service as well as through all campaign activity. There will be effective links and cross-promotion of other schemes and projects to ensure that consumers have access to all opportunities that exist to help them reduce their energy consumption – and therefore bills.

The proposal brings together for the first time the 10 Greater Manchester local authorities to offer a holistic approach to energy switching, tackling fuel poverty and increasing carbon literacy. Not only will this offer substantial savings on operational costs (as opposed to 10 single campaigns) but it also ensures a coordinated and consistent approach which can be replicated by other Local Authorities. This proposal is one of a package of measures that forms part of DECC's pioneer cities program. GM is developing a climate change compliance plan and energy switching is part of the wider activity.

Through our partnerships with businesses, the third sector and other public sector bodies we can reach more residents through trusted and bespoke channels of communication.

In addition our range of sign-up opportunities including online, telephone and face to face ensure everyone has equal opportunity to participate in our scheme.

4.4 Evaluation

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

As a successful 'early adopter' of energy switching we will capture/share learning including robust evaluation against objectives. Working links already exist with a further 35 Authorities wishing to set up similar schemes and learning will be shared with them throughout.

All quantitative and qualitative data will be shared with DECC and other interested organisations. Our evaluation will be based on the following:

- number of households registering for collective energy auctions (against a target of 100,000 over two auctions)
- number of households signed up who are currently in fuel poverty (against a target of 20% of sign-ups) percentage of households choosing to switch as a result of the auction (based on a target of at least 30% of those registered)
- average savings by household – looking particularly at those in areas of fuel poverty number of households lifted out of fuel poverty across GM (measured through referrals and positive activity from the Energy Advice Service)

Robust monitoring and evaluation processes are in place including maximising all opportunities to share evidence and data to inform cross-cutting agendas such as health.

A range of approaches will be used including Customer Insight data to help identify target wards and monitor how successful the scheme has been in helping those residents switch, and the levels of savings achieved.

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)

Communications are critical to the success of the campaign and we have identified a set of clear, consistent key messages to sell the benefits to residents, these cover:

- How to sign up – it's quick and easy.
- No obligation to switch - you are in control.
- Save money - savings of up to £171 per year (based on results from the recent Oldham auction).

We will use all available communication channels to engage with residents, this will include:

- Face to face briefing events, drop-in sessions and doorstep sign-ups.
- Advertising in both broadcast, online and print media.
- Outdoor advertising.
- Digital and Social Media.
- Internal communication to support residents (staff briefing and training).
- Co-ordinated media campaign.
- Trusted partner organisations (e.g. Fire Services, Health, GPs etc)

Our face to face activity will be targeted at areas with the highest levels of fuel poverty to raise awareness with those who will benefit most from the scheme. We will use speakers of appropriate community languages in areas where this is required and translations and alternative formats of our printed material will be available on request.

The scheme will use the learning from Oldham's successful campaign which has engaged tens of thousands of residents in a conversation about cheaper energy and has signed up nearly 9,000 to their November energy auction.

4.6 Project Costs

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

	£000s
a. Procurement and professional fees, including legal and finance etc	
b. Programme Management	
c. Evaluation and Monitoring	
d. Energy Advice and Call Centre	
e. Marketing and Promotion, including campaign design,	
f. Stakeholder Engagement Programme, including training of staff in the libraries, community engagement departments and customer service centres.	
g. Door Canvassing, 3 teams of 14 staff for 24 days during January 2013 targeting 150,000 properties	
Total cost of project during 2012-13	
Total funding contribution required from DECC	£438

SECTION 6

To be completed by all applicants

6.1 Declaration	
<p>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.</p> <p>We confirm that local and community organisations are involved in the design or delivery of this proposal, where appropriate.</p> <p>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).</p>	
Name	
Title	Chief Executive
Local Authority	Oldham Council