

# DECC Local Authority Funds

DECC Local Authority Competition 2012-13

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The Department of Energy and Climate Change is pleased to announce a Local Authority Competition, designed to support Local Authorities in the delivery of some of the Department's key objectives. We invite top tier and lower tier Local Authorities to design proposals that make use of the funding available in one (or more) of the following:

- a) Fuel Poverty Fund
- b) Green Deal Pioneer Places Fund
- c) 'Cheaper Energy Together': Collective Switching Fund

The **Fuel Poverty Fund** offers up to £25 million of funding for Local Authorities and/or consortia of Local Authorities in England. There is no lower or upper limit for the value of bids. The aim of this fund is to support Local Authorities to reduce the extent of fuel poverty primarily through the provision of resources to support improvements to the thermal efficiency of dwellings amongst low income and vulnerable households.

The **Green Deal Pioneer Places Fund** of £10m is for Local Authorities and/or consortia of Local Authorities in England to demonstrate ambitious approaches to kick starting local Green Deal activity in both the domestic and non-domestic sectors. Bids should be packaged in initiatives of around £300k, with a maximum of £3m total per bid. Please note that all Local Authorities need to ensure that any state finance being used to fund Green Deal Plans (whether through this competition or from a Local Authorities' own finance) complies with State Aid rules. Local Authorities will need to be aware of DECC's State Aid notification that is currently being considered by the European Commission. Further details are provided in the guidance below.

The '**Cheaper Energy Together**' scheme is a £5 million fund designed to support the development of innovative collective switching schemes, where consumers group together, through a trusted third party, and use market power to negotiate lower energy bills. Schemes should have a particular focus on encouraging participation by vulnerable consumers.

The guidance notes in sections 1, 2, 3 and 4 of this information pack provide further detail of the aims and objectives of each fund. The guidance notes also set out the criteria through which bids will be judged, as well as the process for submitting applications.

While completing your application for these funds we would be grateful if you could take a moment to complete the survey questions in section 5. Alongside the Renewable Heat Incentive, DECC is considering testing alternative ways of delivering renewable heat through locally targeted action. These questions are intended to gain your valuable insight to inform our thinking with regards to this approach.

**Local Authorities are invited to make an application for funding by 5pm on Friday, 30<sup>th</sup> November 2012.** Late applications may be considered, but only if funding remains available after all applications received by the deadline have been considered. Any funds awarded through this competition must be spent by the 31<sup>st</sup> March 2013.

## CONTENTS

The pack contains four guidance notes and two annexes:

Sections:

1. DECC Local Authority Funds general guidance note
2. Fuel Poverty Fund guidance note
3. Green Deal Pioneer Places Fund guidance note
4. 'Cheaper Energy Together' scheme guidance note

Annex A – Application Form

Annex B – Examples of activities that could be supported by the funding

## SECTION 1

### DECC Local Authority Funds

#### GENERAL GUIDANCE NOTES

##### INTRODUCTION

This note explains the arrangements for administering in 2012-13 the project funding available to Local Authorities and their partners under the **DECC Local Authority Funds** initiative.

There are three funding sources available for Local Authorities, and bidders can apply for resources from one or more of the funds. The three funds available are:

- **Fuel Poverty Fund:** which provides capital and programme funding primarily to support the delivery of thermal efficiency improvement in fuel poor households. Up to £25 million of predominantly capital funding (including a small amount of programme funding, which may be available for exceptional quality bids) is available in the first instance.
- **Green Deal Pioneer Places Fund:** which provides capital and programme funding for Local Authorities and/or consortia of Local Authorities to demonstrate ambitious approaches to kick starting local Green Deal activity in both the domestic and non-domestic sectors. Up to £10 million is available under this fund.
- **'Cheaper Energy Together' scheme:** which provides programme funding to Local Authorities and eligible third sector organisations to develop collective switching schemes which have a focus on vulnerable consumers. Up to £5 million is available under this fund. Please refer to the guidance notes in sections 2, 3 and 4 below for further detail of the individual fund objectives.

Where Local Authorities are making bids for more than one fund, they may wish to explain, where appropriate, how the different proposals will work together to drive potential synergies.

##### APPLICATION PROCEDURE

Bids should be submitted using the form at Annex A.

The application form allows bidders to choose the relevant funding source(s) – and the amounts required from each - for their proposal.

All bids should clearly set out how they meet the following criteria:

- **Stakeholder engagement:** where relevant, the expectation is that local partners, especially from the voluntary and community sector, will be closely involved in the project proposal. Where appropriate, Local Authorities will need to demonstrate that the proposal has been developed and will be delivered with local partners, to ensure that delivery of measures reflects local conditions on the ground (section 1.3 of the application form).
- **Value for money:** bidders should demonstrate how their proposal will deliver value for money against the stated objectives of the fund. As far as is possible, bidders should

make an assessment of the full range of costs and benefits that will result from the investment. Preference will be given to bids setting out clear and strong metrics/outcomes (section 1.4 of the application form). Further guidance on the specific value for money considerations associated with each of the funds can be found in sections 2, 3 and 4 below<sup>1</sup>.

- **Project milestones:** bidders should identify the key milestones in the delivery of their proposal (section 1.5 of the application form) and identify some of the key risks to delivery. Projects must deliver by 31<sup>st</sup> March 2013 and bids should demonstrate how expenditures will have been incurred by this date.
- **Additionality:** value for money also requires a consideration of additionality. Bids should demonstrate how the proposals will build on and complement existing actions. Funding cannot be used to replace funding for an existing project, including any projects to deliver statutory obligations, although they can be used to extend the geographical coverage, scope or scale of an existing project.
- **State Aid:** bidders should demonstrate how their proposals will comply with State Aid rules, both in terms of direct receipt of funds and intended use/expenditure of those funds<sup>2</sup>. Bids should also demonstrate how they will avoid any double-subsidy issues (where monies are to be used in conjunction with existing policies).

In addition, LAs should show how their bids meet the specific criteria associated with each of the funds that they are bidding for resources from. These criteria are set out in sections 2, 3 & 4.

Completed bids should be submitted by 5pm on 30<sup>th</sup> November 2012, although bidders are encouraged to submit their bid ahead of this deadline if they are able. Bids should be submitted electronically (using the form attached at annex A) to: [la.funds@decc.gsi.gov.uk](mailto:la.funds@decc.gsi.gov.uk). Late applications may be considered, but only after all applications received by the deadline.

## ASSESSMENT PROCESS

Bids will be judged by a panel (which will be led by DECC) on the basis of the criteria set out in sections 2, 3 & 4 and those set out above. All bids that are submitted by the closing date will be assessed by the panel with a view to notifying bidders of the outcome of their application as soon as possible.

## OFFERS TO SUCCESSFUL BIDDERS

Once we have selected successful bidders, grant offer letters will be sent out as soon as reasonably possible. Further participation in the competition, including grant of funds, will be conditional on bidders agreeing to certain terms and conditions applicable to the grant with the Department. These will be set out in the grant offer letters.

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<sup>1</sup> Further guidance of the Government's approach to appraising scheme costs and benefits can be found in the HMT Green Book ([http://www.hm-treasury.gov.uk/d/green\\_book\\_complete.pdf](http://www.hm-treasury.gov.uk/d/green_book_complete.pdf))

<sup>2</sup> Further guidance on State Aid can be found at <http://www.bis.gov.uk/policies/europe/state-aid>

For the Green Deal and Fuel Poverty Funds, payment will be on receipt of a monthly invoice, for work completed. For the Collective Switching Fund, payment will be made according to appropriate milestones for each scheme and will be set out in the Grant Offer Letter.

## **ENQUIRIES**

Any enquiries should be addressed in the first instance to: [la.funds@decc.gsi.gov.uk](mailto:la.funds@decc.gsi.gov.uk)

**Fuel Poverty Fund:** Emily Casey [[emily.casey@decc.gsi.gov.uk](mailto:emily.casey@decc.gsi.gov.uk) or 0300 068 5228]

**Green Deal Pioneer Places Fund:** Steve Ives [[steve.ives@decc.gsi.gov.uk](mailto:steve.ives@decc.gsi.gov.uk) or 0300 068 5068]

**'Cheaper Energy Together' Scheme:** Kate Barbier [[kate.barbier@decc.gsi.gov.uk](mailto:kate.barbier@decc.gsi.gov.uk) or 0300 068 5814]

## SECTION 2

# FUEL POVERTY FUND

## GUIDANCE NOTES

### INTRODUCTION

This note explains the arrangements for administering the project funding available to English Local Authorities and their partners under the **Fuel Poverty Fund** initiative.

### AIM

The aim of this fund is to support Local Authorities in England to reduce the extent of fuel poverty through the provision of resources primarily to support improvements to the thermal efficiency of dwellings amongst low income and vulnerable households. The Department of Energy and Climate Change is therefore inviting Local Authorities to bid from this fund. Up to £25 million of predominantly capital funding (including a small amount of programme funding, which may be available for exceptional quality bids) is available in the first instance.

The capital resource is intended for use in supporting thermal efficiency infrastructure improvements<sup>3</sup> in low income and vulnerable households (plus a limited amount to support the delivery of those infrastructure projects).

Low cost insulation and heating measures are generally the most cost-effective means of reducing the costs of maintaining an adequate heating regime (and, therefore, removing the household from fuel poverty). The Government is looking to build on the expertise of Local Authorities (and their local and community sector delivery partners) to ensure that the available resources are directed at the households that are in the greatest need.

The programme resource is intended for use in supporting non-infrastructure projects that will benefit fuel poor households. For example, for measures that will result in higher household incomes, lower energy prices and more efficient energy use behaviours.

### ELIGIBILITY AND CRITERIA

English Local Authorities (either individually or as part of a joint application) are invited to bid for funds to support fuel poor households.

In developing their bids, Local Authorities are encouraged to consider working with local stakeholders – such as the voluntary/community sector, health professionals, home improvement agencies and handypersons services – to ensure that delivery of measures is focused on households that are most in need of support.

In addition to the criteria set out in the General Guidance Notes, bids will need to demonstrate that they are consistent with the following criteria:

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<sup>3</sup> This incorporates any improvement that will increase the energy efficiency of a dwelling as measured by the Standard Assessment Procedure. However, as set out under assessment criteria, priority will be given to those bids that are focused on the delivery of the most cost effective measures.

- **Impact on fuel poverty:** bids should demonstrate how they will help to reduce the extent of fuel poverty, setting out the number and types of households that are expected to benefit through support as well as the types of measures that will be delivered (section 2.1 of the application form). Additional weight will be attached to bids that can demonstrate that support will be targeted at groups of households that have a high propensity to fuel poverty (section 2.2). Known indicators of fuel poverty potential include (but are not limited to) being on a low income, being in receipt of means-tested benefits, having a low EPC rating, being off the gas grid and living in private tenure (owner-occupier and private-rented sector).
- **Value for money:** bids should demonstrate how they will ensure value for money (section 1.4). For example, additional weight will be attached to bids that focus on the delivery of support that offer the most cost-effective solutions for reducing household energy costs (such as new/replacement heating systems and low-cost cavity and loft insulation) and/or can lever in additional resources from other sources. See Annex B for further information.
- **Strategic fit:** additional weight will be attached to bids that demonstrate that they are consistent with other aspects of the Government's fuel poverty strategy<sup>4</sup> (and/or similar local initiatives) (section 2.3). For example:
  - Funding energy efficiency improvements as part of a holistic offer for households that are willing to participate in collective switching schemes;
  - Funding energy efficiency improvements alongside other fuel poverty-related activities funded through the Department of Health's Warm Home Healthy People fund;
  - Funding energy efficiency measures within schemes that also encompass delivery through the Green Deal and Energy Company Obligation. For example, working alongside energy suppliers and other partners to deliver measures in ECO Carbon Saving Community areas and to ECO Affordable Warmth households.

The fund is intended primarily to support the delivery of thermal efficiency measures. This includes both the capital cost of the measures and a limited amount to enable delivery – for example, search, assessment and engagement costs. There is a smaller amount of programme funding for other types of support. Some examples of the sorts of activities that could be supported through this fund - and some additional guidance on cost-effectiveness of interventions with respect to fuel poverty - are included at annex B. The fund cannot be used to support research projects, except integrated evaluation as set out below.

There is no lower or upper limit for the value of bids. Applications should make clear what can be achieved for less than the total bid should the Fund be fully allocated.

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<sup>4</sup> For further information on fuel poverty, see:

[http://www.decc.gov.uk/en/content/cms/funding/fuel\\_poverty/fuel\\_poverty.aspx](http://www.decc.gov.uk/en/content/cms/funding/fuel_poverty/fuel_poverty.aspx)



## MONITORING AND EVALUATION

The Department is keen to understand the impact and cost-effectiveness of projects in order to assist with future scheme design, and will attach additional weight to projects that have robust monitoring and evaluation plans. Bidders should set out in their bid (section 2.4a) how they would monitor key performance indicators, including:

- The number of households helped, type and number of measures delivered and total cost;
- Characteristics (for example, income and vulnerability status) of households supported through measures.

In addition, the department is keen to understand aspects of project delivery that prove to be particularly successful (or unsuccessful) in meeting scheme objectives (section 2.4b). Project evaluation could cover:

- Techniques that were effective in reaching vulnerable households;
- Barriers to delivery and engagement;
- Impact of measures in households: e.g., energy use behaviour, wellbeing.

In section 2.5 of the application form at annex A, please specify the costing of monitoring and evaluation of the project (which can be funded through the programme funding available).

## ENQUIRIES

Potential bidders who would like to discuss any aspect of their bid (or for clarification on any aspect of the process) for funds through the Fuel Poverty Fund should contact Emily Casey at [emily.casey@decc.gsi.gov.uk](mailto:emily.casey@decc.gsi.gov.uk) or at 0300 068 5228.

## ADDITIONAL FUNDING

It is possible that an additional tranche of funding will be made available for further work in this area.

Any additional funding that is available for delivery of projects will be subject to a separate applications process.

## SECTION 3

# GREEN DEAL PIONEER PLACES FUND

## GUIDANCE NOTES

### INTRODUCTION

This note explains the arrangements for administering the project funding available to Local Authorities (and/or consortia of Local Authorities) and their partners under the **Green Deal Pioneer Places Fund** initiative.

### AIM

**The primary purpose** is for Local Authorities (LAs) and/or consortia of LAs (e.g. counties) to demonstrate ambitious approaches to kick starting local Green Deal activity in both the domestic and non-domestic sectors including (in order of importance):

- **Promoting Green-Deal ready plans:** LAs would create a portfolio of households willing to enter into Green Deal plans between 28 January 2013 and 31 March 2013;
- **Adopting a Street-by-street/area-based approach:** LAs would develop - or expand existing - plans to deliver area based/street by street projects (minimum 50 households per project);
- **Establishing a basis for driving future Green Deal demand** (please provide this information in section 3.2 of the application form): LAs would need to set out how they will leverage this initial funding to deliver more Green Deals in the future e.g.,
  - use the funding to create x number of Green Deal open/show homes, run city-wide events, exemplar energy efficient homes;
  - test marketing approaches with a view to generating x number of leads per pound spent;
  - test local approaches to planning and external solid wall insulation, e.g. working with the Council's planning departments;
  - working with local health professionals to develop a pilot patient referral project to deliver energy efficiency measures "on prescription";
  - and/or develop links with intermediaries and other key players;
- **Developing innovative approaches** (please provide this information in section 3.4): LA bids should demonstrate innovative plans for building demand for Green Deal and related ECO activity;

- **Developing strong local Green Deal delivery networks and partnerships**, where relevant, involving for example previous LEAF recipients<sup>5</sup>, community groups, social housing providers, local traders and the local business community (where this would not give rise to state aid implications); and -
- **Linking with proposed measures under HECA** (please provide this information in section 3.6 of the application form): LAs should state how their proposals will link with proposed HECA activity in their March 2013 report and commit to sharing learning with other LAs. Funding in FY2013/14 may be available, and would be considered against HECA reports, and delivery of the FY2012/13 bid).

#### The key desired outcomes are to:

- **deliver early Green Deals;**
- **build strong legacy for driving future Green Deal demand** (e.g. create a network of Green Deal show homes and run city wide events; pilot marketing approaches; develop strong links with intermediaries such as the NHS; develop local planning approaches in relation to Green Deal activity;) and -
- **develop and support the emerging Green Deal supply chain** (e.g. develop strong network of Green Deal approved assessors and installers, linking where appropriate with local training colleges).

Bids should set out clear and strong metrics/outcomes e.g. number of Green Deal Assessments planned, number of households taking up Green Deal Plans.

### ELIGIBILITY AND CRITERIA

English Local Authorities either individually or as part of a joint application (outside authorities in the seven core cities who are already receiving DECC funding<sup>6</sup>) are invited to bid for funds.

The fund is intended for both capital projects and operating projects and can be used to deliver a range of measures (e.g. bids might work alongside the Fuel Poverty funding outlined above).

In addition to the criteria set out in the General Guidance Notes, bids will need to demonstrate that they are consistent with the following criteria:

- **value for money:** in the context of the Green Deal funding element of the competition, bids should be ambitious in terms of number of properties targeted and demonstrate how they will ensure value for money. For example, additional weight will be attached to bids

<sup>5</sup>[www.communitymaps.org.uk/version5\\_1/includes/MiniSite.php?minisitename=Department%20of%20Energy%20and%20Climate%20Change&ministie\\_group=](http://www.communitymaps.org.uk/version5_1/includes/MiniSite.php?minisitename=Department%20of%20Energy%20and%20Climate%20Change&ministie_group=)

<sup>6</sup> The seven core cities already receiving DECC funding are Birmingham, Bristol, Greater Manchester, Leeds City Region, Newcastle and associated 'Warm Up North' authorities, Nottingham and Sheffield.

that maximise the number of households targeted, the estimated success rate from assessments to installations, the types of measures installed and demonstrate cost efficiency.

- **strategic fit:** additional weight will be attached to bids that demonstrate local and national synergies. For example: working alongside other partners to help deliver measures in ECO Carbon Saving Community areas and ECO Affordable Warmth households.

All bids should include an outline delivery plan and costings breakdown.

Bids will be judged using the following weightings:

- Delivering Green Deal – 30%
- Driving future demand for Green Deal – 25%
- Leveraging additional funding – 15%
- Proposing innovative and local partnership approaches – 15%
- Providing learning - 15%

## Evaluation

Bidders should set out in their bid (section 3.5a) how they would monitor key performance indicators, including:

- The number of households helped, type and number of measures delivered and total cost;
- Tenure of households supported through measures.

In addition, the department is keen to understand aspects of project delivery that prove to be particularly successful (or unsuccessful) in meeting scheme objectives (section 3.5b). Project evaluation could cover:

- Techniques that were effective in reaching households;
- Barriers to delivery and engagement;
- Impact of measures in households: e.g., energy use behaviour, wellbeing.

Please specify the costing of monitoring and evaluation of the project.

## State Aid

Where Local Authorities are funding Green Deal Plans they will need to be aware of the Green Deal State Aid notification that is pending a decision from the European Commission. Any public sector funding of Green Deal Plans must comply with the European Commission's decision which is likely to set conditions and overall limits to state intervention into the Green Deal market.

## ENQUIRIES

Potential bidders seeking clarification on any aspect of their potential bid should contact Steve Ives on 0300 068 5068 or Nana Boachie on 0300 068 6997.

Green Deal state aid queries should be directed to Edward Corse on 0300 068 5236 or [edward.corse@decc.gsi.gov.uk](mailto:edward.corse@decc.gsi.gov.uk).

## SECTION 4

# ‘CHEAPER ENERGY TOGETHER’ SCHEME

## GUIDANCE NOTES

### INTRODUCTION

This note explains the arrangements for administering the project funding available to Local Authorities (and/or consortia of Local Authorities) and their partners under the ‘Cheaper Energy Together’ scheme. This fund will also be open to applications from Local Authorities in Scotland and Wales and to eligible third sector organisations<sup>7</sup>.

### AIM

Collective purchasing/switching is an innovative way for consumers to group together (through a trusted third party) and use market power to negotiate lower energy bills. The aim of this fund is to support a number of collective switching schemes across Great Britain and to increase public awareness of the potential for reducing energy bills through collective switching. Examples of activities that the funding will support are: infrastructure and systems, marketing and advertising, community engagement and outreach, and specialist expertise e.g. legal or procurement advice. The schemes should have a particular focus on engaging vulnerable consumers in collective switching schemes.

DECC aims to develop an understanding of which approaches are the most effective at engaging with consumers, particularly vulnerable consumers, and therefore the fund will support schemes that demonstrate innovation in this regard.

### ELIGIBILITY AND CRITERIA

Local Authorities (either individually or as part of a joint application) are invited to bid for funds to develop collective switching schemes.

In developing their bids, Local Authorities are encouraged to consider working with local stakeholders – such as the voluntary/community sector.

In addition to the criteria set out in the General Guidance Notes, bids will need to demonstrate that they are consistent with the following criteria:

- **Engagement with vulnerable consumers:** bids should set out the proposed approach to reach vulnerable consumers, which includes (but is not limited to) fuel poor households, people on low incomes or benefits, those who pay using prepayment meters, those without internet access and those who haven’t switched before, and the number

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<sup>7</sup> Eligible third sector organisations must be legally constituted organisations and includes Charities, Parish Councils, Community Interest Companies, Community Co-operatives and Community Benefit Societies (Industrial and Provident Societies), Voluntary Associations, Development Trusts, Faith Groups, Registered Social Landlords. Funding will not be available for commercial activity.

and types of consumers that are expected to register interest and then sign up to the scheme (section 4.1 of the application form).

- **Innovation:** bids should show how applicants have demonstrated innovative ways of marketing to consumers or design of the scheme (section 4.2 of the application form).
- **Strategic fit:** additional weight will be attached to bids that propose a holistic approach to households energy use such as offering energy efficiency advice or funding energy efficiency measures, which could be through the Green Deal and Energy Company Obligation or through the Fuel Poverty Fund (section 4.3 of the application form).
- **Evaluation:** bids should set out how the schemes will plan to capture and share learning in terms of the delivery approach and collect robust data (including numbers of consumers switching, demographic information and savings they are expected to make). Schemes will also be expected to participate in DECC's overall evaluation in 2013/14 (section 4.4 of the application form).

Schemes are also expected to be transparent in their communication to consumers about the scheme and to provide them with key pieces of information – such as any expected savings to be made by switching. More information on collective switching and the role of providers is available on the DECC website<sup>8</sup>.

Bids will be judged using the following weightings:

- Engagement with Vulnerable Consumers – 35%
- Deliverability this financial year - 20%
- Innovation in design – 15%
- Strategic fit - 15%
- Approach to Evaluation - 15%

## ENQUIRIES

Potential bidders seeking clarification on any aspect of their potential bid should contact Kate Barbier, [kate.barbier@decc.qsi.gov.uk](mailto:kate.barbier@decc.qsi.gov.uk)

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<sup>8</sup> See <http://www.decc.gov.uk/media/viewfile.ashx?filetype=4&filepath=11/funding-support/5367-collective-purchasing--guidance-for-providers.pdf&minwidth=true>

**ANNEX A****DECC Local Authority Fund****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><i>Lead Local Authority</i></b>	
Name of Local Authority	
Name of contact within the Local Authority	
Address	
Telephone number of contact	
Email address of contact	
<b><i>Other participating Local Authorities (add rows as needed)</i></b>	
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)**

## 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)**

## 1.4 Value for Money

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

## 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.**

### 1.6a 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				Section 2 + 6
Green Deal Fund				Section 3 + 6
Collective Switching Fund				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 2

### FUEL POVERTY FUND

#### 2.1 Impact on Fuel Poverty

**Describe how the proposal will help to reduce the extent of fuel poverty. (max 200 words)**

#### 2.2 Targeting

**Explain how the fund will be targeted. (max 200 words)**

### 2.3 Strategic Fit

**Describe how your programme is consistent with other aspects of the Government's fuel poverty strategy (and/or local relevant strategic priorities) (max 200 words)**

### 2.4 Monitoring and Evaluation

**a) Set out how key performance indicators will be monitored during the project.**

**b) Describe your plan for evaluation of the project.**

## 2.5 Project Costs

Provide brief details of the main costs of the project.

<b>Deliverable</b>	<b>£000s</b>
a.	
b.	
c.	
d.	
e.	
f. Evaluation and monitoring	
<b>Total cost of project during 2012-13</b>	
<b>Total funding contribution required from DECC</b>	

## SECTION 3

**Green Deal Pioneer Places Fund** (in completing this section applicants should demonstrate how the proposal addresses the primary purpose and desired outcomes set out in the Green Deal fund guidance notes at section 3 above)

### 3.1 Required information

Green Deal ready plans: LAs would create a portfolio of households ready to enter into Green Deal plans between 28 January 2013 and 31 March 2013.

<b>Cost Information</b>	<b>Capital</b>	<b>Programme</b>	<b>Total</b>
Total Cost			
Cost breakdown from DECC fund: [ <i>provide details below on how the DECC fund would be utilised</i> ]			
Estimated funding from Green Deal Providers/ECO			
<b>Required Funding Deliverables</b>	<b>Number</b>	<b>Capital</b>	<b>Programme</b>
Total expected number of households to sign up to a Green Deal plan as a result of the programme			
Total expected number of businesses to sign up to a Green Deal plan as a result of the programme			
Expected demand legacy: (# GD plans from city events/show homes/Health Links)			
<b>Further useful metrics</b>			
Number of households to have solid wall insulation			
Number of businesses to have solid wall insulation			
Total Assessments (30% conversion from assessment to Green Deal – see Annex B)			
Number of local show homes and planned events			
List, where appropriate, of local partners			

### 3.2 Delivering Green Deal and driving future demand

**How will the DECC funding be used to deliver Green Deal and stimulate/drive more demand in the future? Is there a legacy plan in place? (max 400 words)**

### 3.3 Leveraging additional funding

**How will the DECC funding be used to lever in additional funding to support the proposal? (max 200 words)**



### 3.4 Innovation & local partnerships

**Summarise how the proposal demonstrates innovative plans for building demand for the Green Deal and how you propose to involve local partners? (max 300 words)**

### 3.5 Monitoring and Evaluation

**a) Set out how key performance indicators will be monitored during the project.**

**b) Describe your plan for evaluation of the project.**

### 3.6 HECA

**How would your proposal link with your HECA report for March 2013? (max 200 words)**

## 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)**

#### 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)**

### 4.3 Strategic Fit

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

### 4.4 Evaluation

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

#### 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)

#### 4.6 Project Costs

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

Deliverable	£000s
a.	
b.	
c.	
d.	
e.	
f.	
<b>Total cost of project during 2012-13</b>	
<b>Total funding contribution required from DECC</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>	<input type="checkbox"/>	<b>Support for technical innovation</b>	<input type="checkbox"/>
<b>Reduce emissions from heating</b>	<input type="checkbox"/>	<b>To engage local people</b>	<input type="checkbox"/>
<b>Support for local installers</b>	<input type="checkbox"/>	<b>To gain learning about renewables</b>	<input type="checkbox"/>
<b>Other (please elaborate)</b>	<input type="text"/>		

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

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

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

## 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>	
<b>Title</b>	
<b>Local Authority</b>	



## ANNEX B

### EXAMPLES OF ACTIVITIES THAT COULD BE SUPPORTED BY THE FUNDING

#### FUEL POVERTY FUND

The Department of Energy and Climate Change does not want to be prescriptive about the sorts of projects which might be submitted against the Fuel Poverty Fund provided they meet the criteria outlined within the guidance (including this Annex).

**Activities that could be supported by the DECC funding include, but are not limited to, the following:**

#### Capital funding

We wish for Local Authorities to focus predominantly on measures that offer the best value for money, but we also recognise the importance of supporting hard to treat households. Value for money will be a key consideration in judging bids, but it is important to note that whilst this will vary for different types of households – for example, the capital costs associated with reducing energy costs in a solid wall, off-grid house will tend to cost more than a cavity wall, on-grid house – we do not want to discourage Local Authorities from engaging with more costly measures where the support is needed. A number of the most expensive measures could receive additional support under the Green Deal<sup>9</sup>.

Households could receive a package of insulation and heating measures tailored to the property. By way of illustration, this could include (but is not limited to) any of the measures listed below (arranged based on the degree of cost-effectiveness the measure offers):

Typically cost <£1,000 per home and will pay for themselves in around 5 years	
Insulation Measures	<ul style="list-style-type: none"> <li>• Cavity Wall Insulation</li> <li>• Loft or rafter insulation to at least 250mm</li> <li>• Draught proofing</li> <li>• Under-floor insulation (where applicable)</li> <li>• Hot water cylinder insulation</li> </ul>
Heating Measures	<ul style="list-style-type: none"> <li>• Repairs to existing efficient heating systems</li> <li>• Hot water cylinder thermostat</li> </ul>
Typically cost <£3,000 per home and could pay for themselves over measure lifetime	
Insulation Measures	<ul style="list-style-type: none"> <li>• Roof-in-room insulation (where applicable)</li> <li>• Flat roof insulation (where applicable)</li> </ul>
Heating Measures	<ul style="list-style-type: none"> <li>• New gas, oil or LPG central heating system (where no central heating previously existed)</li> <li>• Electric storage heaters (where no central heating previously existed)</li> </ul>

<sup>9</sup> Additional information on the Green Deal can be found at [http://www.decc.gov.uk/en/content/cms/tackling/green\\_deal/green\\_deal.aspx](http://www.decc.gov.uk/en/content/cms/tackling/green_deal/green_deal.aspx)

	<ul style="list-style-type: none"> <li>• Upgrade to efficient condensing gas, oil or LPG boiler*</li> <li>• Fan-assisted efficient replacement storage heaters</li> <li>• Upgrade to an efficient warm air heating system*</li> <li>• Heating controls</li> </ul>
<b>Typically cost £3,000+ per home and can reduce heating costs</b>	
Insulation Measures	<ul style="list-style-type: none"> <li>• Secondary window glazing</li> <li>• High performance external doors</li> <li>• External or internal wall (typically solid) insulation</li> </ul>
Heating Measures	<ul style="list-style-type: none"> <li>• Solar water heating</li> <li>• Biomass boiler</li> </ul>

\* Likely to pay for itself if replacing a D-G rated non-condensing boiler, or replacing a broken boiler where a household is resorting to secondary heating as their main source of warmth.

Another value for money consideration is which type of household will benefit from measures. Our intention is to ensure that measures are delivered in households that have a high propensity to be fuel poor. There are certain key characteristics that could put households in this group<sup>10</sup>:

- Low income – around 60% of households with an income below £13,380 are fuel poor. Receipt of a means-tested benefit (or eligibility for receipt) is one of the best proxies for capturing this group.
- Private tenure (owner-occupier and private-rented sector).
- Dwelling characteristics – poor energy efficiency;
  - Low SAP rating (E, F or G rated properties) – the average SAP rating amongst fuel poor households in 2010 was 44.2 (the average SAP rating of non-fuel poor households was 56.8);
  - Solid walls – this is often a characteristic of older dwellings or listed buildings (e.g., built before 1945);
  - Un-insulated cavity walls;
  - Loft insulation less than 150mm;
  - Off gas grid.
- Vulnerable households – a vulnerable household is one that contains young children, the elderly or someone who is disabled or has a long-term illness.

## Programme funding

We list below some of the types of projects that Local Authorities and their partners might wish to consider developing locally as examples of good local practice:

- Benefit entitlement checks;
- Switching advice;
- Advice about possible energy saving strategies.

<sup>10</sup> Annual Report on Fuel Poverty Statistics 2012

## GREEN DEAL PIONEER PLACES FUND

### Activities that could be supported by the DECC funding include:

- funding the Green Deal Assessment by Authorised Assessors (a minimum conversation rate of 30% from assessment to installation would need to be achieved);
- piloting local marketing approaches, including a street by street approach to roll out – this would need to demonstrate how many Green Deal installations this will lead to;
- establishing a network of local Green Deal show homes, for example, working with the Super Homes Network or other groups;
- area wide events to publicise the Green Deal – although this activity will not be supported alone, other activities including installations would need to be demonstrated;
- working with the local NHS to drive demand for the Green Deal or Affordable Warmth; and -
- working with community or not for profit groups (e.g. the LEAF community groups) to deliver demand for the Green Deal.

### Activities that cannot be supported include:

- projects that cannot demonstrate how they will deliver Green Deals or contribute to future demand for energy efficiency improvements through the Green Deal - DECC funding cannot be used to subsidise energy efficient measures in households. One of the key outcomes of the competition is to prepare LAs and consumers for the Green Deal;
- local incentive schemes - the DECC cash-back incentive to consumers would also be available to eligible households participating in projects
- projects that are seeking direct funding under ECO, RHI, Feed-in tariffs, RHPP – however it may be possible to fund initiatives that work in tandem with these schemes; and -
- projects or initiatives that would constitute State Aid.

## **'CHEAPER ENERGY TOGETHER' SCHEME**

The Department of Energy and Climate Change does not want to be prescriptive about the sorts of activities which may be proposed as meeting the criteria of the 'Cheaper Energy Together' scheme.

**Activities that could be supported by the DECC funding include, but are not limited to, the following:**

- the costs of the infrastructure and systems needed for energy collective purchasing/switching schemes e.g. IT and telephony;
- marketing and advertising of the scheme;
- community engagement and outreach;
- advocacy services for vulnerable consumers;
- specialist expertise needed in support of schemes e.g. legal or procurement.

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