



Department  
of Energy &  
Climate Change

# Learning from the DECC Local Authority Competition 2012/13: A case study approach

Final report

Produced by SE<sup>2</sup> Ltd

The views expressed in this report are those of the authors, not necessarily those of the Department of Energy and Climate Change (nor do they reflect Government policy).

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# Credits

This report was written by Joanne Wade, with support from other members of the team carrying out the evaluation.

The research team comprised Liz Warren and Rachael Mills (both SE<sup>2</sup> Ltd), Dr Joanne Wade, Fiona Brocklehurst (Ballarat Consulting), Phil Downing (Icaro Consulting), Dominic Francis, and Emma Jones (CAG Consultants Ltd).

# Executive Summary

This report presents the findings of a small, qualitative study of schemes funded under DECC's Local Authority Funding Competition 2012/13. DECC commissioned this work to help them get a better sense of what works in engaging DECC's customers in some of their priority policy areas: it is not intended to provide robust findings that offer clear conclusions for policy.

The Competition offered funding for local authority led projects on collective switching, fuel poverty alleviation and Green Deal pioneer activity. Collective switching projects led by community organisations were also funded under the Competition. The Competition provided over £46million to support 130 schemes covering over 260 local areas in England and, for collective switching schemes, Scotland.

- Funding for collective switching (through the 'Cheaper Energy Together' competition) was designed to support schemes where consumers grouped together to negotiate lower energy bills, through a trusted intermediary. Schemes were required to have a focus on encouraging vulnerable consumers to participate. 31 schemes were funded for collective switching activity.
- The fuel poverty fund was designed to fund improvements in homes with low thermal efficiency that are occupied by low income and vulnerable households. 60 fuel poverty schemes were funded.
- The Green Deal Pioneer Places fund was designed to help local authorities to kick start local Green Deal activity in both the domestic and non-domestic sectors. 39 schemes were awarded Green Deal Pioneer Places funding.

The study involved following 20 of the 130 schemes funded by the Competition with the aim of understanding the experience of implementing the schemes, which elements in the case studies worked well and which did not. Field work was carried out between February and May 2013.

The objectives defined for the work included: understanding what activities were supported by the funding; understanding which approaches were successful in engaging with consumers, and which were or were not effective for targeting support to low income households; understanding the impact on innovation and economies of scope of running the funds within the Competition together; and understanding how to increase uptake and interest in DECC's agenda by working with and through local partners.

The findings presented here are based on the experiences of the 20 schemes followed: other schemes funded by the Competition may have had different experiences.

## Type of projects funded

A typical **collective switching** project involved general marketing to reach a wide audience combined with targeted marketing to reach more vulnerable groups; and working in partnership with a commercial switching partner to register customers interested in switching, to negotiate deals with energy suppliers and to present offers to customers and encourage them to switch. Vulnerable customers were helped to register via the use of helplines or face to face advice.

The **fuel poverty** schemes targeted a range of low income and vulnerable groups and generally involved either targeted promotion to households who then self-referred to the scheme or promotion to community partners who then referred households in need of help to



the scheme. Measures were installed, with some schemes providing hand holding at various stages of the process to avoid some of the most vulnerable households dropping out part way through.

**Green Deal pioneer schemes** targeted a number of different potential customer groups and tailored their approaches to these groups. They centred on targeted promotion of the benefits of Green Deal, and in many cases offered Green Deal Assessments for free or at subsidised rates. Some schemes also included local supply chain development through training of Green Deal Advisors, and many developed show properties as a method of demonstrating the improvements that could be supported by the Green Deal.

### Engaging customers

All but one of the schemes studied here employed a combination of universal marketing and targeted engagement aimed at specific customer groups. The schemes were delivered by councils or voluntary organisations, and scheme managers felt that the widespread trust in these types of organisation meant that this supported initial customer engagement.

Collective switching was not always a familiar concept to householders, but it was easily understood. Fuel poverty schemes met with high levels of awareness, usually because households or areas had previously been targeted under Warm Front, CERT or CESP. Green Deal was the most complex offer for customers.

In the **collective switching** schemes studied here, the most effective way to reach the general population and persuade them to sign up was by using local media marketing to raise general awareness followed by information leaflets inserted into council tax mailings. For vulnerable customers, a number of different approaches used in these projects worked: in some cases, very local events targeting specific communities resulted in high levels of sign up from within that community. In other instances, general marketing that used reassuring community action messaging, backed up by significant time investment in a local helpline service to respond to initial enquiries from vulnerable people, reached these people right across a local area.

Customers in **fuel poverty** schemes were happy to accept offers of help from trusted local organisations, and could understand the value they would gain from the work. Even with an unfamiliar measure such as external wall insulation, some schemes managed to persuade householders of its merits, particularly where it would improve the appearance of the home. Carrying out work on 'exemplar' properties in target local areas helped people to see the results for themselves and increased interest in this measure.

**Green Deal** schemes succeeded in raising awareness of the concept and interesting people in the idea of a Green Deal Assessment. The key in the schemes studied here was focusing on property improvement, increased comfort or a greener lifestyle (depending on the target audience) and presenting the Green Deal as a way to achieve these changes. In many schemes, assessments were offered for free, providing a 'no risk' way for customers to try out the concept.

### Added value from running three funding streams together

This work included following activity in two local areas where schemes under each of the three funding streams were running. Scheme managers in both these areas reported clear benefits to running the funding streams together. In one area the publicity for each scheme reinforced that of the others, creating a marketing 'blitz' that raised local awareness of all the schemes to a higher level. In the other, the effort involved in running three schemes at one time, and the

combined level of funding coming in from DECC, raised the profile of the delivery team within the council and may therefore enable further work in the future. In both areas, joint targeting and marketing increased cost-effectiveness compared with if the schemes had been delivered separately. Scheme managers also noted that having multiple initiatives at one time enabled them to move closer to their ideal of being able to offer 'something for everyone' when engaging householders with the issue of home energy use.

### Lessons for working through local authorities to deliver policy objectives

A diverse range of projects was implemented over a short timescale, and all projects delivered some success, demonstrating that local authorities can develop schemes to meet local needs, based on their knowledge of local housing and local communities, and can test a range of delivery models. The position of local authorities and their community partners as trusted intermediaries helped to engage people in schemes.

The **collective switching schemes** studied here did not reach the scale at which larger energy suppliers are willing to offer new tariffs, and did not result in significantly better deals for prepayment meter customers.

The overall stage of development of energy efficiency initiatives can limit what can be achieved by local action. The **fuel poverty schemes** studied did not provide much insight into how local areas might work with Energy Company Obligation (ECO) to improve private sector housing, since the focus of activity at the time was largely on development of larger scale schemes in social housing. The **Green Deal** schemes were unable to achieve all they had planned since the Green Deal supply chain was not sufficiently developed to deliver Green Deal Plans at the time that the schemes were delivered.

There were also capacity issues within local organisations: some local authorities had ideas for action in more than one of the Competition areas, but bid for only one as they knew they did not have the capacity to deliver more; some community delivery organisations were stretched to their limits by the work involved in delivering these relatively small scale projects. Partnership working within local areas successfully addressed some of these capacity issues, but there remain limits to what can be delivered when funding for action is short term. Nonetheless, the schemes demonstrated a range of successful and innovative approaches to solving policy problems.

**Collective switching** schemes were able to persuade significant numbers of people to sign-up and encouraged people who had not previously switched to sign-up. They also supported vulnerable customers without internet access, combining phone or face to face help during sign-up with telephone calls to discuss the tariffs on offer. More systematic support for off-line sign-up and general support to help vulnerable consumers to switch, from trusted intermediaries, could be a useful development in this area.

**Fuel poverty** schemes demonstrated that a range of local targeting methods, based on data analysis and the use of local community networks and knowledge, can reach some of the most vulnerable. Hand-holding at various stages in the process minimised customer drop-out from these schemes and such support was valued by customers.

**Green Deal** schemes used audience-specific messages, based on property improvement and a low risk approach to this, to generate interest in the Green Deal. Improving customer understanding of the Green Deal Assessment Report may help to translate this interest into more uptake of Green Deal Plans and other means of energy efficiency investment.

# 1. Introduction

This report presents the findings of a process evaluation of DECC's Local Authority Funding Competition 2012/13. The Competition offered funding for local authority led projects on collective switching, fuel poverty alleviation and Green Deal pioneer activity. Collective switching projects led by community organisations were also funded under the Competition<sup>1</sup>. The evaluation field work was carried out between February and May 2013.

Funding for collective switching (also known as 'Cheaper Energy Together') was designed to support 'innovative collective switching schemes, where consumers group together, through a trusted third party, and use market power to negotiate lower energy bills'<sup>2</sup>. Schemes were required to have a focus on encouraging vulnerable consumers to participate.

The fuel poverty fund was designed primarily to fund thermal efficiency improvements in homes occupied by low income and vulnerable households.

The Green Deal Pioneer Places fund was designed to help local authorities to 'demonstrate ambitious approaches to kick starting local Green Deal activity in both the domestic and non-domestic sectors'<sup>3</sup>.

## 1.1 Aims and Objectives

### 1.1.1 Aims

The aims of this evaluation were to investigate how the projects funded by the competition were delivered and to identify factors which appear to support or hinder different types of community energy project.

### 1.1.2 Objectives

The project worked to the following objectives in order to meet these aims:

- Understanding what activities were supported by the funding;
- Understanding which approaches were successful in engaging with consumers, including in the switching agenda;
- Learning about approaches that are or are not effective for targeting support to low income households;
- Understanding how to increase uptake and interest in DECC's agenda by working with and through local partners;

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<sup>1</sup> Third sector organisations were eligible for direct funding for collective switching schemes, but not for fuel poverty or Green Deal pioneer schemes.

<sup>2</sup> DECC, 2012, Local authority fund application pack

<sup>3</sup> *ibid*

- Understanding the impact of running the strands of the Competition together on innovation and economies of scope;
- Learning about the details of innovative approaches to solving policy problems, and
- Gathering learning to inform future policy design and delivery.

## 1.2 Context

National energy policy set the context for the Competition, and a range of local policy aims, including health and wellbeing, local energy action and local economic development, offered the framework for the design and delivery of the projects.

### 1.2.1 Links to national policy aims

At a time when global energy prices are rising, Government wishes to help householders and businesses to keep their energy bills as low as possible, and to provide particular support for the most vulnerable.

Ensuring that customers are able to find the best tariffs that meet their needs is one element of this. Collective switching may be a good way to engage people in the energy market, particularly those who have not switched. A number of local authorities were active in this field prior to the funding competition, but for many this was a completely new area of activity. The funding also aimed to encourage more activity to target the most vulnerable consumers.

A further element of national policy is stimulating investment in improved home energy efficiency. Past national schemes such as Warm Front, the Carbon Emissions Reduction Target (CERT) and the Community Energy Saving Programme (CESP) have offered funding for investment in better home energy efficiency, including in the homes of people suffering fuel poverty. These schemes have demonstrated a role for local action, particularly in finding and offering help to the most vulnerable<sup>4</sup>. Local organisations may have a good sense of where the most vulnerable householders are, and local fuel poverty schemes can explore how barriers to reaching these people can be overcome. The Government's flagship policy to support energy efficiency investment is the Green Deal<sup>5</sup>. Government would like to see local authorities help the initial growth in the market for Green Deal and ECO by identifying local opportunities to install energy efficiency measures and by promoting the Green Deal to local communities. Some local authorities may also choose to become providers of the Green Deal themselves. Schemes funded here were testing the Green Deal as it had just been launched: therefore they helped to uncover issues with the process involved, but could not deliver the same customer experience that could be delivered once the market is more mature.

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<sup>4</sup> See for example, CAG Consultants, ['Evaluation of the Community Energy Saving Programme'](#)

<sup>5</sup> This includes provision of Green Deal Assessments, finance for energy efficiency investments, quality assurance and subsidies for more expensive measures and for work in the homes of low income and vulnerable consumers under the Energy Company Obligation: <https://www.gov.uk/government/policies/helping-households-to-cut-their-energy-bills/supporting-pages/green-deal>

Local schemes with fuel poverty or Green Deal related objectives can also explore which messages effectively engage people in considering less familiar energy efficiency technologies such as External Wall Insulation (EWI).

### 1.2.2 Links to local priorities

Energy action at the local level can contribute to a wide range of local policy priorities in areas as diverse as housing, health, social care, local economic development and sustainability. There is potential for this action to increase as local areas respond to the opportunities presented by the Government's localism agenda. Tackling fuel poverty, including through investment in the housing stock, and promoting local economic development are two priority areas at the present time.

Local authorities have for many years carried out actions to reduce the level of fuel poverty in their local areas. This work will develop further as authorities respond to the opportunities and challenges of the Green Deal and ECO, and to their new public health role within local Health and Wellbeing boards<sup>6</sup>.

Local authorities wishing to green their local economies and those focused on local economic development purely as a response to rising local unemployment can see opportunities in developing a market for energy efficiency investments and preparing local firms to respond to the resulting opportunities.

## 1.3 Report structure

The next chapter summarises the methodology followed in this study. Further details of the method are provided in Appendix A.

Chapters 3 to 8 describe the main findings of the work. In Chapter 3 the activities that were supported by the funding are described. Chapters 4 to 8 examine what we can learn from the schemes studied: chapter 4 focuses on engaging customers, chapter 5 on supporting low income and vulnerable households, chapter 6 on working with and through local partners to increase interest and uptake, chapter 7 on learning for future DECC competitions and chapter 8 on scheme legacy.

Chapter 9 contains the report's conclusions on key learning from the schemes, remaining challenges and policy and practice learning. These should be viewed as tentative conclusions, giving some ideas that are worth further consideration, but not definitive solutions: they are based on a small proportion of the schemes funded under the Competition and the experiences of the schemes not studied may vary from those reported here.

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<sup>6</sup> See for example, Wade J, Jones E and Robinson J, 2012, 'Going local: a report for Consumer Focus on local authorities' work to tackle fuel poverty' <http://www.consumerfocus.org.uk/publications/going-local-a-report-for-consumer-focus-on-local-authorities-work-to-tackle-fuel-poverty>

## 2. Methodology

This chapter summarises the methodology employed in this project. A more detailed description of this method is given in Appendix A.

This evaluation project comprised two stages. The first of these was a rapid review of the 130 schemes funded under the competition to typify them, identify clusters of approaches and select a number of schemes to study in more detail. The second stage was the detailed study of the selected schemes and reporting on the findings from this study.

### 2.1 Stage one: rapid review and selection for detailed study

The team reviewed all the schemes funded under the Competition against a series of criteria that enabled each scheme to be typified based on the funding stream, approach proposed, delivery mechanisms employed and intended outcomes.

The team then clustered the bids based on these characteristics. These clusters are described in section 3.1, below and Appendix C. From these clusters, the team then selected a list of potential schemes for detailed study. These provided a balanced view across the three funding streams, but were not intended to be in any way representative of the funded schemes as a whole; rather they offered a combination of good coverage of the clusters identified and the potential for learning from new approaches to delivery problems that would help to inform the response to the research objectives. The team discussed the initial list with the DECC project steering group and agreed a list of 20 schemes to be followed.

### 2.2 Stage two: detailed study and reporting

In this stage of the evaluation, the team interviewed representatives of each of the selected schemes at three points: near the beginning of the project; at a mid-point, and at a time when the project would be largely completed and the key stakeholders would have had time to reflect on the process and its outcomes. Team members were each assigned a number of schemes, and conducted all of the key stakeholder interviews for each of those schemes.

Lead researchers for each of the three competition themes (collective switching, fuel poverty and Green Deal) developed topic guides for each set of interviews, in consultation with other team members and the DECC project steering group. These are included in Appendix B of this report.

#### 2.2.1 Initial interviews

Each team member carried out interviews with the project manager for each of their schemes. The majority of these were face to face interviews<sup>7</sup>; in some cases additional key stakeholders were also present. Interview notes were recorded in full for internal team use, and an anonymised summary of the key information for each project was produced, approved by the

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<sup>7</sup> Telephone interviews were carried out with a small number of schemes: these were schemes that had been selected for less detailed review, and were intended to provide additional information to compare and contrast with other, similar schemes. These schemes were also interviewed by telephone in the final stage of the project.

interviewees and shared with the DECC project steering group. These interviews covered various aspects of scheme design and initial implementation, and also reflections on the competition process itself<sup>8</sup>.

The team met to discuss the interviews and to develop a series of key emerging themes, based on these initial interviews. These informed the design of the topic guides for the second interviews, which were then finalised in consultation with the DECC project steering group.

### **2.2.2 Mid-term interviews**

Team members carried out telephone interviews with scheme project managers at a point when the schemes were under way, but not completed. The aims of these were to further explore some of the key issues that emerged from the first interviews, and to determine whether the initial implementation of the projects had led to changes in project design in response to unexpected barriers or opportunities.

As before, interview notes were recorded in full for team use, and the anonymised project summaries were updated, approved by interviewees and then shared with the DECC project steering group.

The team met again to discuss findings and to update the list of key themes. Theme guides for the final set of interviews were developed based on this update. The lead researchers for each of the themes also reviewed the interview notes for projects within their theme at this point, and added project specific questions to the theme guides, to ensure that any gaps in the team's understanding of each project were addressed during the final interviews.

### **2.2.3 End of project interviews**

Team members visited the majority of their schemes to carry out face to face interviews with the scheme project managers and a selection of other key stakeholders for each scheme; these additional key stakeholders were selected in consultation with the scheme managers to provide different perspectives on key scheme elements.

At this point, team members also carried out in depth face to face interviews with 22 scheme customers. These were selected as offering a range of perspectives on the customer experience of the schemes.

Again, interview notes were recorded in full for team use, and the anonymised project summaries were updated, approved by interviewees and then shared with the DECC project steering group. The team met, discussed findings and updated the picture of key themes that had emerged.

### **2.2.4 Workshop and reporting**

This report was written after the analysis of the final interviews was complete. It forms the main output from the project. During the drafting process, representatives of the schemes studies met with the research team and DECC staff at a workshop where the key emerging findings were further discussed. Information from this workshop is incorporated into this report.

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<sup>8</sup> Learning related to the competition process is summarised in Chapter 7 of this report.

## 3. Activities supported

DECC funding through this Competition supported 130 different schemes; 121 were led by local authorities, many working as part of consortia, and 9 led by community organisations<sup>9</sup>. The collective switching competition funded 31 schemes; the fuel poverty competition funded 60, and the Green Deal pioneer competition funded 39. Some local authorities received funding for more than one scheme.

In total, DECC provided over £46 million of support to these schemes, £5 million to collective switching schemes, £31 million to fuel poverty schemes and £10 million to Green Deal pioneers, enabling action in over 260 local areas in England and, for collective switching schemes, Scotland.

This chapter describes the types of activity that were supported by the DECC funding. It starts with an overview of the types of scheme that the team identified whilst selecting case studies. It then describes the key elements of the schemes the team followed (20 of the 130), within each of the funding themes. Learning from the schemes is discussed in chapters 4 to 8.

### 3.1 Clusters of funded schemes

The team classified all the schemes into 22 clusters, based on some of the key characteristics of the approaches they were taking<sup>10</sup>. These clusters are described, and the schemes in each cluster identified, in Appendix C. Note that schemes may be allocated to more than one cluster, if they include significant elements relating to more than one cluster.

The schemes that were selected for further study contained elements that illustrated the following characteristics:

- **Area based co-ordination:** activities that are integrated within wider partnership activities in a city region; those looking to set up a local hub for energy advice and Green Deal delivery; or multiple schemes in a local area intended to work together, with a strong focus on community involvement.
- **Targeting:** targeting well defined small geographical areas; or combining use of local authority or purchased datasets to target areas with a high propensity for fuel poverty with referrals from front line professionals and community organisations.
- **Marketing and incentives:** engaging people using 'green' messages; using multiple and/or innovative routes to reach their target market; or using pre-assessments and / or the offer of free Green Deal Assessments to encourage early uptake.

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<sup>9</sup> All community-organisation led schemes were funded under the collective switching competition (where they were eligible).

<sup>10</sup> Based on the information presented in the project's bid for funding. In practice, the schemes studied in depth did not always fully implement all proposed activities in the bid and therefore this is likely to be the case for some of the other schemes also.



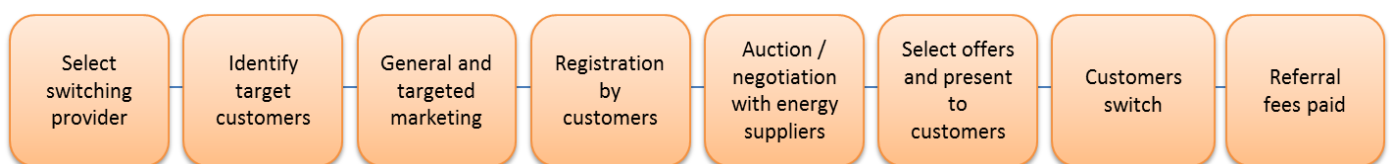
- **Working with key stakeholders:** providing incentives to community and other participants in return for referrals to the scheme; looking at how to involve small and medium sized businesses in the Green Deal and ECO; or using community representatives to help customers through the process, to ensure that the most vulnerable were included.
- **Hard to reach / hard to treat:** addressing the difficulty of engaging landlords and tenants in the private rented sector; engaging hard to reach groups in rural areas and / or promoting social cohesion in these areas; or addressing the barriers associated with installation of solid wall insulation in mixed tenure blocks or areas.
- **Alternative approaches to collective switching:** implementing approaches that could be replicated anywhere within a national framework; working alone on collective switching, without formal links to one of the national framework schemes and without prior experience of switching schemes; or agreeing tariffs with energy suppliers before asking people to sign up to switch.

A number of clusters are not represented by the schemes studied in detail. These either offered less opportunity for learning (for example because the schemes were using funding to carry out further activity using well known methods) or because the scope for replicability was limited.

Note that the report does not contain much information about Green Deal schemes targeting the non-domestic sector: some of the selected schemes did contain a non-domestic element, but these scheme elements faced a number of additional barriers (e.g. the development of the assessment method was at an earlier stage) and hence have not progressed far enough for many lessons to be learned.

### 3.2 Collective switching schemes: the key elements

Figure 1, below, illustrates the key elements of a collective switching scheme.

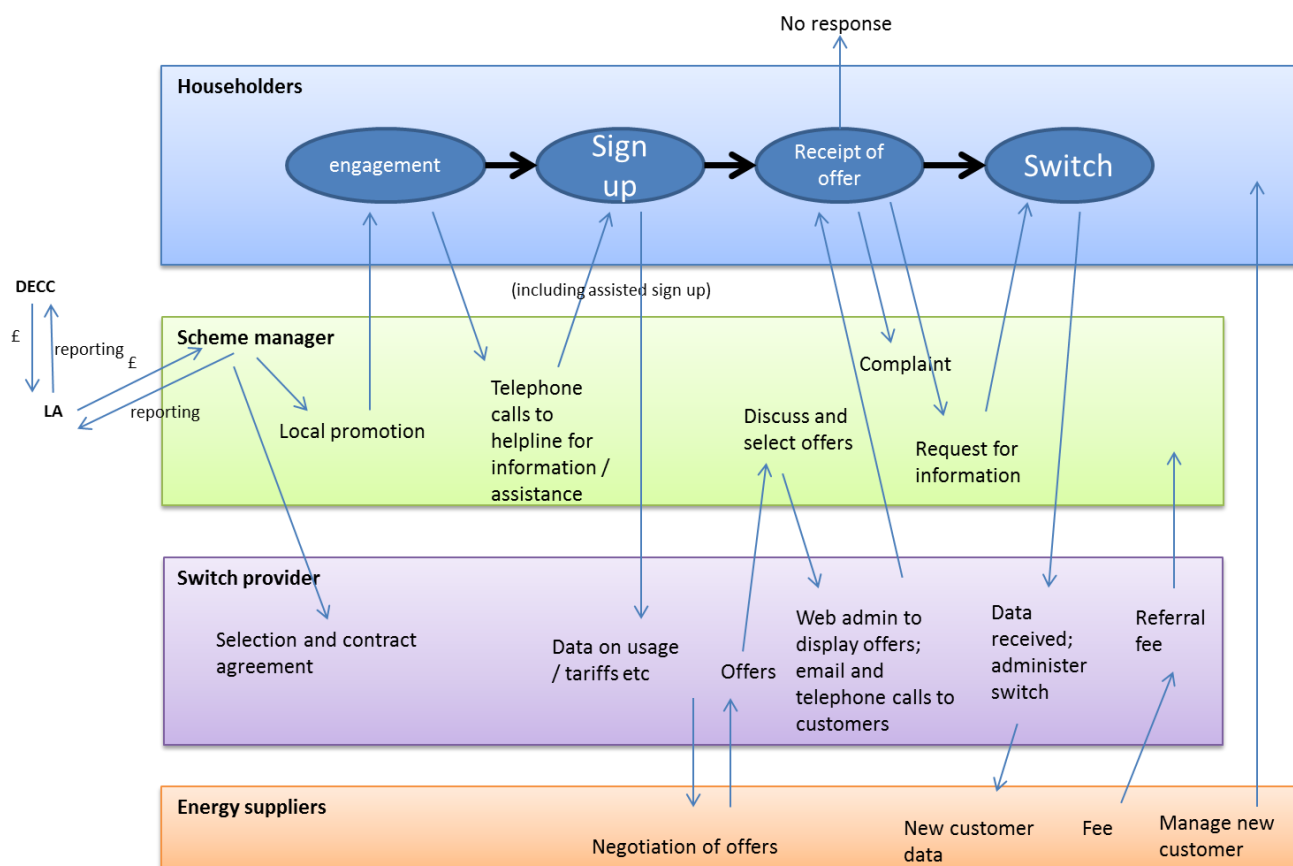


**Figure 1: collective switching scheme key elements**

The majority of the schemes studied here followed this general series of events, but in one scheme the auction / negotiation and selection of tariffs happened before the scheme was marketed to customers.

The box below gives a more detailed illustration of one scheme, showing how different key actors are involved in this general sequence. Similar illustrations of all the collective switching schemes studied in this project are included in Appendix E.

## Scheme diagram and description, example collective switching scheme



The scheme manager (in this case a third sector organisation contracted by the local authority to deliver the scheme) procured a switching provider, coordinated all local promotional activity and provided telephone support to customers who needed help in signing up (e.g. those who do not have internet access). Other customers signed up directly with the switching provider. The switching provider then negotiated offers with energy suppliers and, after some discussion with the scheme manager, presented these offers to potential switchers. Customers could request further information from the helpline run by the scheme manager. The switch provider generally handled the customer relationship from the point of offer until the point of switch to a new supplier, although a number of customers who were disappointed in the scheme offers did complain directly to the scheme manager.

### 3.2.1 Working with switching partners and other key stakeholders

All the schemes had an arrangement with a professional switching service provider (for example energyhelpline, ichoosr or uSwitch).

The schemes also worked with a range of local stakeholders to promote the schemes. All of these working relationships were informal; in a few cases the stakeholders were involved in scheme design, but in the majority they were simply asked by the scheme manager to help promote the scheme to their clients / customers.

### 3.2.2 Identifying target customers

Schemes promoted themselves to everyone in the local community to encourage widespread participation. Alongside this, the schemes all targeted vulnerable and hard to reach customers (for example those without internet access or those with English as a second language), through area-based activities and / or work with community organisations.

### 3.2.3 Marketing: messages and channels used to encourage registration

The schemes all used the idea of money saving as one of the messages to promote the scheme. For some this was the main message, but for others the idea of acting as a community was emphasised more. The idea that the process was easy, free, and open to everyone was also used by some schemes. In addition, two schemes broadened the idea of a better deal beyond just money savings, and emphasised other aspects such as customer service.

All schemes included general, untargeted promotion through local newspapers and radio. Most schemes also used a combination of inserts with council tax bills, information on council websites, Facebook and Twitter presence (see Figure 2 below), and leaflets distributed through intermediaries such as community groups and GP surgeries. A small number of schemes held events in high footfall areas such as shopping centres or supermarkets and a few also held very local events, for example in village halls. One scheme employed door-knocking in areas with high prevalence of vulnerable people, and another included direct (mail, text or email) approaches to credit union members, council tenants and people with online council tax accounts.



Figure 2: image from facebook page for a collective switching scheme

### 3.2.4 Enabling registration

Customers may have faced three particular barriers to registering interest in the schemes: the first was no access to the internet; the second was difficulty understanding the sign up process and the third was not having English as a first language.

Most of the schemes developed mechanisms for 'offline' sign up, which generally involved the customer providing their information to the scheme on paper or by phone, which the scheme or switching agent staff then entered into the online system. Only one scheme had internet-only sign up.

The schemes dealt with concerns about the sign-up process through telephone helplines, staffed either by the scheme or by the switching service provider, and in some cases with face to face help at council or scheme manager's premises. Two schemes had staff who signed people up away from the scheme offices, either on their doorstep or at community events. Four schemes also produced 'how to switch' videos<sup>11</sup>.

Schemes targeting households where English was not a first language used a number of methods to help them, including multi-lingual web pages and bi-lingual community outreach workers who visited community events to explain the scheme and help people to sign up.

### **3.2.5 Auctions and negotiations with energy suppliers**

Two main routes were used to secure offers from energy suppliers: an auction date with a short response time; or a more extended period of negotiation with suppliers who expressed interest in presenting offers to the scheme. In all schemes, whichever route was used, the switching service provider negotiated with the energy suppliers.

### **3.2.6 Selecting offers**

Schemes followed two models in selecting offers to present to customers: either the switching provider reviewed the offers and selected winning offers for each category (for example direct debit, dual fuel customers) or, in a minority of cases, the scheme managers discussed the available offers with the switching provider and decided whether or not to include all of them in their offer to customers. Some schemes also decided to enhance some or all of the offers by foregoing a proportion of their referral fee payment (see section 6.5 below for more detail).

### **3.2.7 Presenting offers to customers and encouraging switching**

The schemes divided into three groups in their presentation of offers; this was linked to the switching provider with which they were working. Schemes working with uSwitch presented a 'whole market' offer, showing all the deals available through uSwitch but highlighting the deals secured by the scheme by placing them first in the list. Schemes working with ichoosr presented a single offer to the householder, which was the selected scheme offer for their fuel / payment method combination. Schemes working with energyhelpline presented a 'whole market' offer, showing all the deals available through energyhelpline, ordered by descending amount of estimated savings and with the deals secured by the scheme highlighted with a 'special offer' tag.

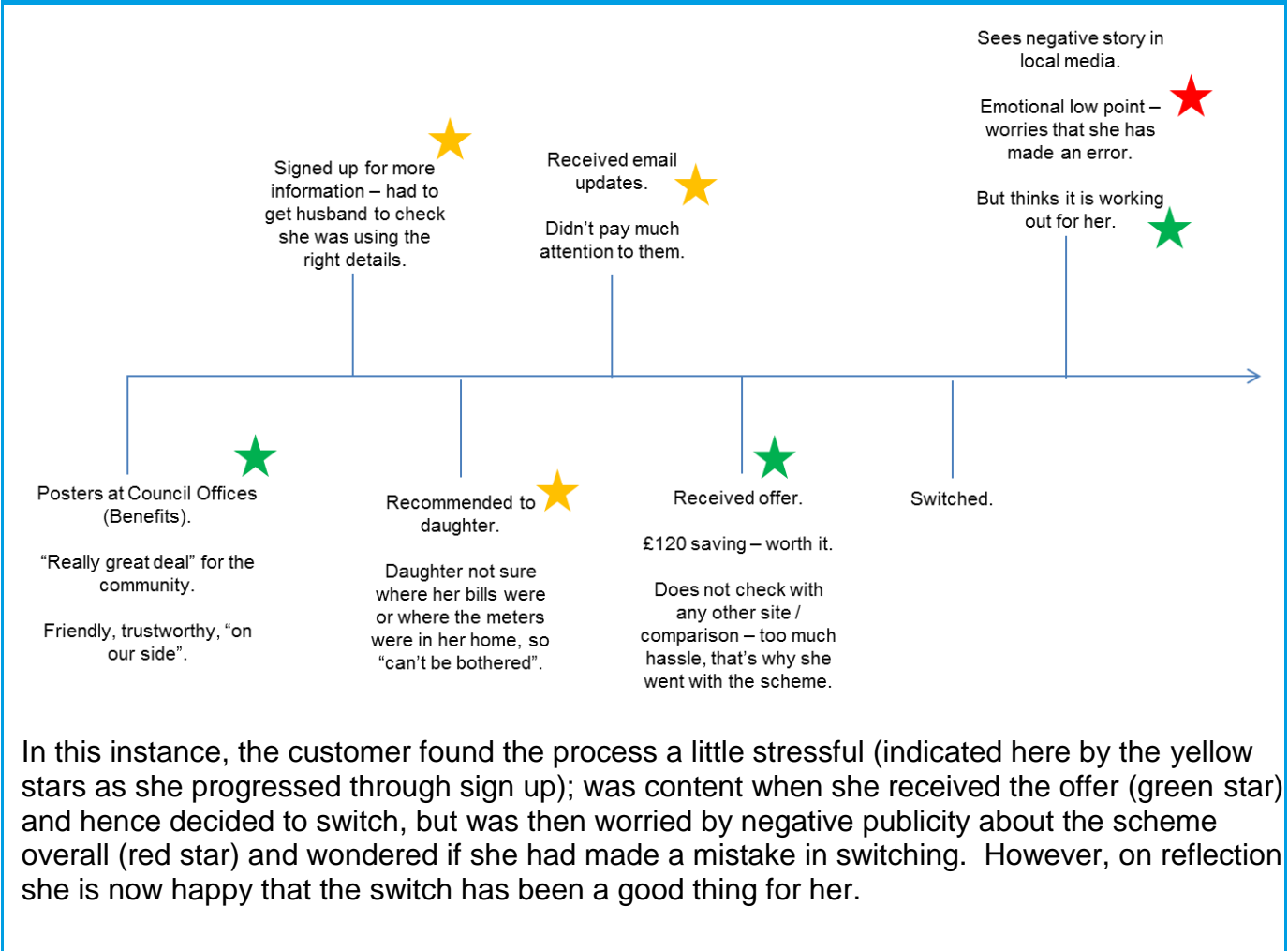
The switching service providers contacted all customers that had registered an interest in the scheme to present offers to them. The contact was by email where possible, or by letter or telephone when email addresses were not known (i.e. for customers who had not signed up online). Schemes varied in the amount they did to encourage switching: some had included follow-up emails in their service agreement with switching providers; others phone calls; others nothing at all. One scheme also carried out some further general marketing after the auction date to encourage new people to sign up and existing registrants to switch.

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<sup>11</sup> See for example: <http://www.youtube.com/watch?v=MD35bgXu4Ys>, <http://www.youtube.com/watch?v=MPzwHcEzpTw>, <http://vimeo.com/61807469>, [http://www.youtube.com/watch?feature=player\\_embedded&v=qDYHc4jjhms](http://www.youtube.com/watch?feature=player_embedded&v=qDYHc4jjhms)

One customer's experience of a collective switching scheme is illustrated in the box below. Other customer journeys from collective switching schemes are included in Appendix F.

### Customer experience of one collective switching scheme

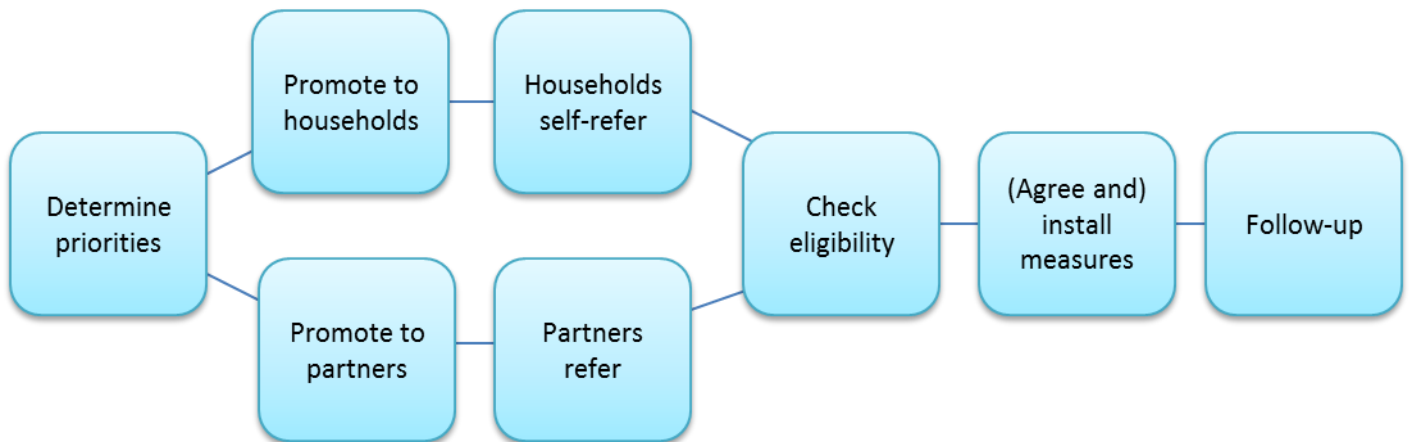


### 3.2.8 Referral fees

All schemes received referral fees from their switching provider partner. These varied (and some schemes wished to keep the figures confidential) but were typically £5-£10 per customer switching. In some cases, the fee depended on the method of switching, with a higher fee paid for customers switching online and a lower fee for those switching by phone.

### 3.3 Fuel poverty schemes: the key elements

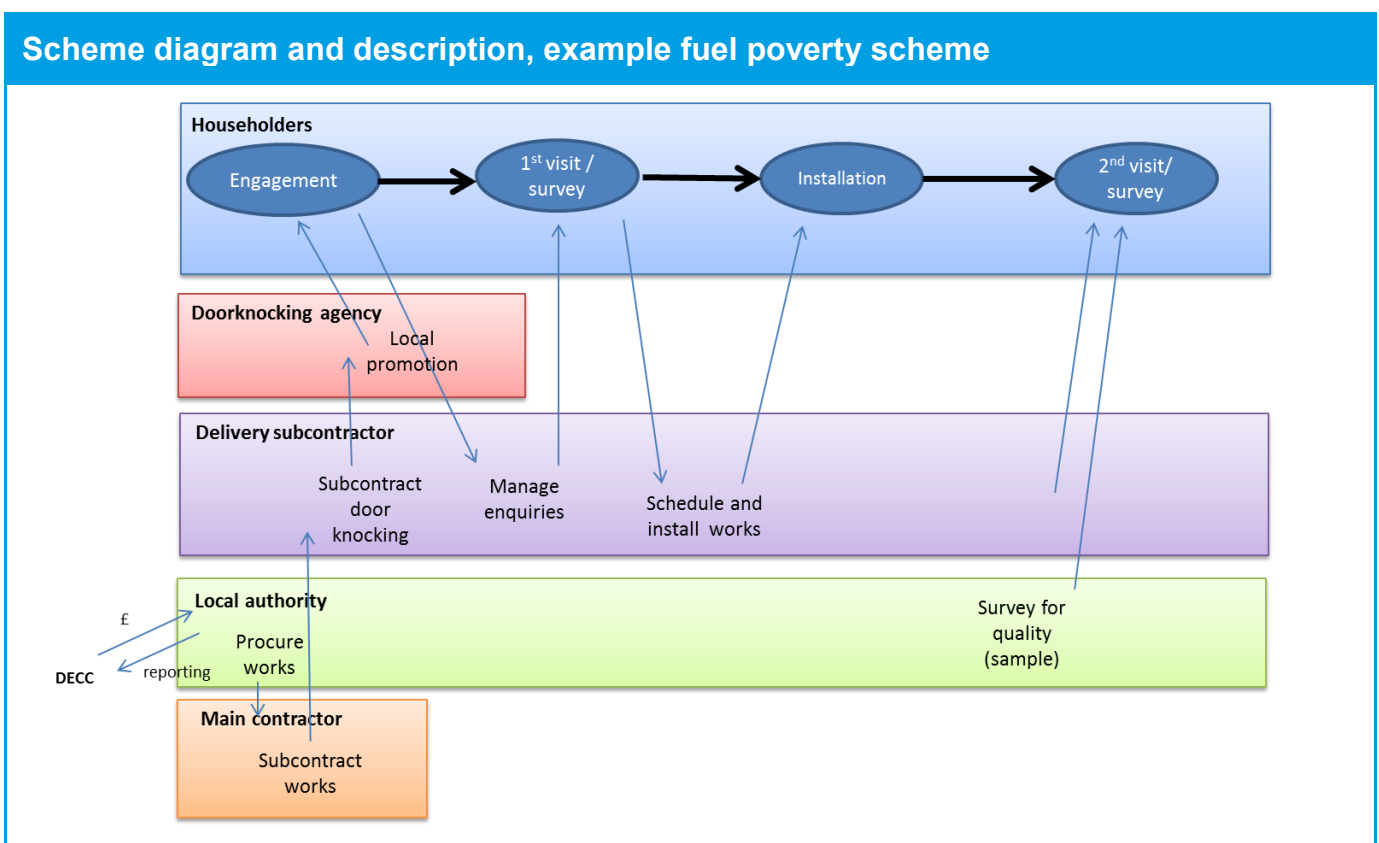
Figure 3 below illustrates the key elements of a fuel poverty scheme.



**Figure 3: fuel poverty scheme key elements**

The schemes studied usually followed one of the two routes illustrated above, although some did include both self-referral and referral through trusted intermediaries.

The box below gives a more detailed illustration of one of the fuel poverty schemes studied during this work. Similar illustrations of all the fuel poverty schemes studied in this project are included in Appendix E.



This scheme offered loft, cavity wall and external wall insulation measures to householders living in target areas (where fuel poverty was in excess of 30%, based on DECC data<sup>12</sup>) and where households were known to have not taken up measures under previous programmes. The local authority used a national framework to procure a lead delivery contractor; they subcontracted to a local installer, who in turn subcontracted the door-knocking promotional element of the scheme to a specialist local agency. Following householder enquiries to the scheme, the delivery subcontractor was the main point of contact for the customer. Council involvement with households was confined to branding on promotional literature and a sample survey of installations for quality control.

### 3.3.1 Working with installers and other key stakeholders

The fuel poverty schemes in the sample centred on finding vulnerable and hard to reach households and installing measures for them. Hence they almost all worked with installation contractors as main delivery partners. The majority of these contractors had pre-existing contractual relationships with the local authorities or scheme managing agents, and work was carried out under these contracts. In one scheme, council procurement rules did not allow this and so a main contractor was sourced from a framework list: this main contractor then subcontracted the work to a local company that already had a relationship with the council. In the one scheme where installers were not key partners for the council, householders chose from a list of recommended installers provided by the council.

A range of organisations that helped with community outreach were the other main group that scheme managers worked with in these schemes. These organisations in some cases simply helped to raise awareness of the scheme amongst local residents (in one scheme, publicity materials were distributed through a wide range of community organisations, coordinated by the local Voluntary and Community Sector assembly; in another, scheme leaflets were left in waiting rooms in GP surgeries). In other instances, they were active in referring people to the schemes (in one scheme the Tenant Management Organisation for the estate involved in the scheme has played a very active role in explaining the scheme to residents; and in more than one scheme, installers have both promoted the scheme to clients and referred these householders to the scheme). This aspect of the schemes was delivered through informal partnership working, rather than formal contractual arrangements.

Two schemes had more formal relationships with community-based stakeholders: in both, their role has included hand holding householders through the process of measures being installed. In one, a local sustainability charity delivered in-home visits to help householders understand what the scheme could offer and select measures that were suitable for them. In the other, a local community development organisation employed two case workers to help householders overcome any issues they had with the installation process.

### 3.3.2 Identifying priority properties and households

The selected schemes used two key methods to identify households to help: analysis of locally held datasets and contact via selected community partners. All the schemes studied were

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<sup>12</sup> <https://www.gov.uk/government/organisations/department-of-energy-climate-change/series/fuel-poverty-statistics>

aiming to reach a relatively small proportion of the fuel poor households in their local area within the short project timeframe. Table 1 details their targets.

**Table 1: Fuel poverty scheme targets**

Scheme	Target number of households	Target number of measures
FP1	-	100
FP2	212	-
FP3	85	-
FP4	50	-
FP5	250	540
FP6	150	-
FP7	-	325

Schemes offering a wide range of measures generally focused on households in areas with a high prevalence of fuel poverty and/or those known by the council or community intermediaries to be struggling with fuel bills or suffering health impacts from living in cold homes. Schemes offering a more restricted list of measures also in some cases aimed to identify homes needing these measures (e.g. using EPC data).

Schemes did not in general formally prioritise particular households or properties for help within their overall eligibility criteria (see below) because the short scheme delivery timeframe meant that they felt they needed to install measures on a first-come first-served basis to anyone who qualified, to ensure that the scheme was completed on time. Some schemes will in practice have prioritised some of the local households most in need through community partner referrals.

### 3.3.3 Defining and using eligibility criteria

All schemes in the sample aimed to help people who are struggling to pay their energy bills and who in some cases are suffering health effects of living in cold homes. The schemes started with a list of DECC-defined fuel poverty proxies (income related benefits) and in many cases amended these to better reflect the needs or priorities of their local area (for example, in one local area Council Tax credit was added to the list of qualifying benefits, whilst Disability Living Allowance was removed, as this was thought to result in a set of criteria that more closely matched the more vulnerable households in the local area).



In some cases, this modification involved removing or adding one or two benefits from the list, and then applying the resulting criteria strictly to determine scheme eligibility. In others, the basic eligibility list was applied more flexibly: some households were judged to be eligible for measures when they did not quite qualify according to the criteria but were judged by the scheme manager to clearly be in need of help (for example, through health impacts or after a quick review of their finances).

One scheme decided to target areas with a very high prevalence of fuel poverty (greater than 30 per cent) and to assume that any household in those areas that requested help was eligible. Another scheme relied entirely on the judgement of the key agencies referring clients to the scheme (who understood the target group and had good knowledge of the households they were referring).

### 3.3.4 Promotion and referrals

The way in which the selected fuel poverty schemes promoted what they had to offer was linked to both the way they identified target properties and the way households were referred to the schemes.

Schemes that had identified small areas likely to contain a high number of households eligible for help, and those that had identified specific properties, addressed all their communication to these areas or properties. Methods used included letters, door knocking or face to face events in locations with high footfall (e.g. shopping centres) or at community facilities (e.g. a children's centre). The households concerned could then choose to self-refer to the scheme.

One scheme relied entirely on referrals from community intermediaries, and focused its promotion on these organisations, including through a series of 'energy café' events. The community organisations could then refer people to the scheme.

One scheme did not identify priority areas or properties. The council promoted the scheme widely through the local media, and via leaflets distributed through a large number of community organisations and GP surgeries. Householders self-referred to the scheme.

One scheme did not use any promotion or referral: the properties to be refurbished had been identified in a previous scheme run by the council and the current scheme was agreed between the council and the Tenant Management Organisation for the properties.

### 3.3.5 Selecting and installing measures

The selected schemes varied in the measures they offered: some had a clear focus on measures which met certain criteria, for example measures that they considered had not been widely deployed in previous schemes or those which would deliver the most cost-effective improvement in energy efficiency; others included the potential for a wide range of measures, and considered the best overall combination for the property and householder (using a technical assessment of the property as a starting point, and then exploring with the householder their attitudes towards the recommended measures). In one scheme, installers were asked to discuss and recommend measures to the householder as part of the quote process.

In all cases, installation of measures was contracted out, either to scheme selected installers or, in one case, to installers selected from an approved list by the householder.

To simplify and speed up the installation process, some schemes that had initially compared a number of installer quotes for the work in each property decided to accept a single quote provided that it was consistent with their understanding of a sensible price for the work involved.

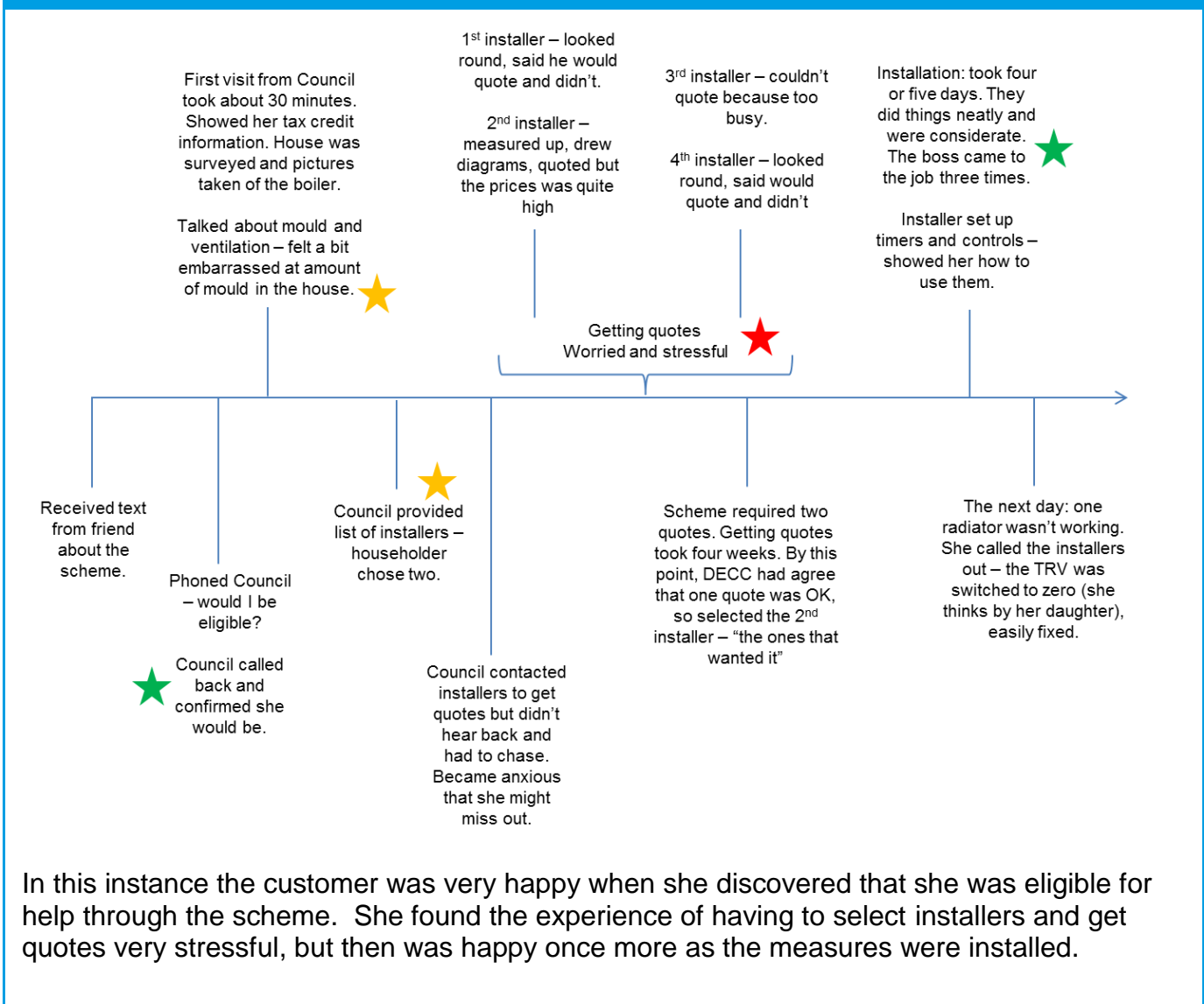
### 3.3.6 Follow up

Some schemes included quality checking (of all or of a sample) of installations as part of their process. Others in the selected group did not include it as routine, but followed up on any complaints received from householders.

One scheme employed case workers to hand hold households through the installation process, and these case workers also visited after the installation to check that the householder was happy with the work.

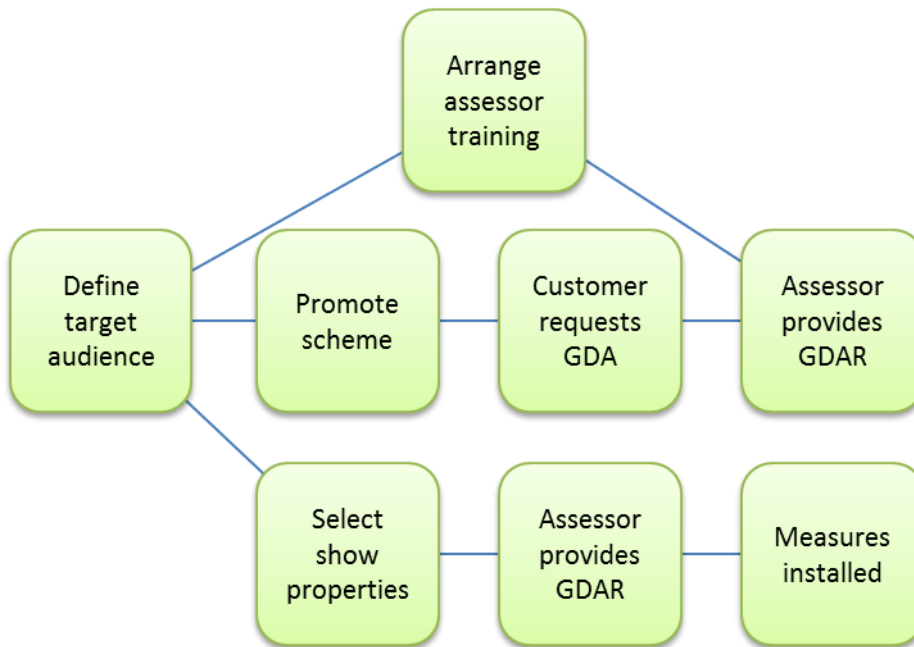
One customer's experience of a fuel poverty scheme is illustrated in the box below. Other customer journeys from fuel poverty schemes are included in Appendix F.

#### Customer experience of one fuel poverty scheme



### 3.4 Green Deal pioneer schemes: the key elements

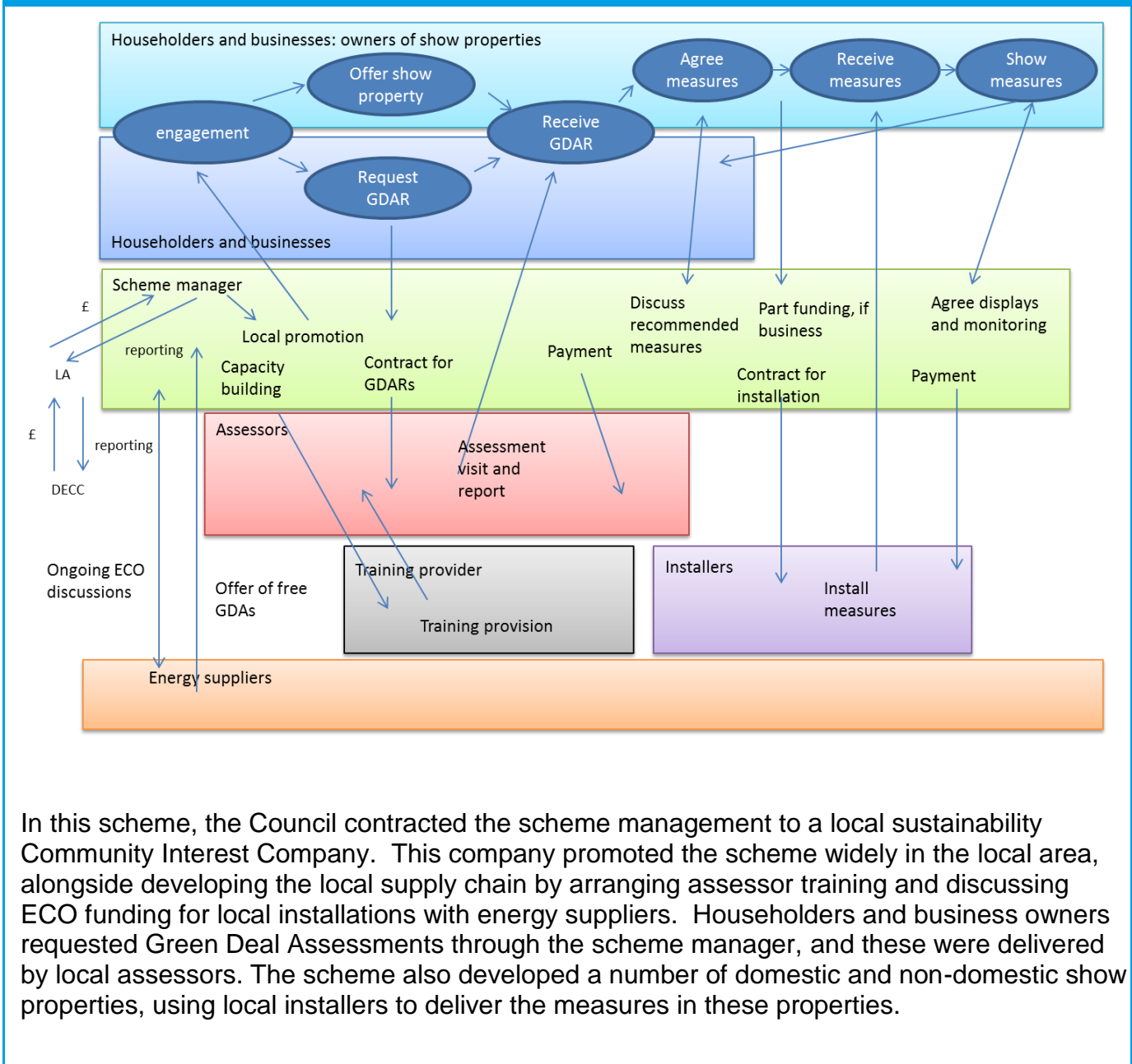
Figure 4, below, illustrates the key elements of a Green Deal pioneer scheme.



**Figure 4: Green Deal pioneer scheme key elements**

The box below gives a more detailed illustration of one of the Green Deal pioneer schemes studied during this work. Similar illustrations of all the Green Deal pioneer schemes studied in this project are included in Appendix E.

### Scheme diagram and description, example Green Deal pioneer scheme



In this scheme, the Council contracted the scheme management to a local sustainability Community Interest Company. This company promoted the scheme widely in the local area, alongside developing the local supply chain by arranging assessor training and discussing ECO funding for local installations with energy suppliers. Householders and business owners requested Green Deal Assessments through the scheme manager, and these were delivered by local assessors. The scheme also developed a number of domestic and non-domestic show properties, using local installers to deliver the measures in these properties.

#### 3.4.1 Working with Green Deal Advisors and other key stakeholders

A major activity for the Green Deal pioneer schemes was the delivery of Green Deal Assessments. Sourcing Green Deal Advisors and, in most schemes, working closely with them were therefore key activities. Most schemes contracted advisors, directly or through intermediary organisations, to carry out the work. However, one scheme did ask customers to source their own advisors.

Schemes worked with a range of other organisations to deliver their objectives, including energy advice providers, 'green' social enterprises, Transition Towns and installers. Most were also in the middle of on-going discussions with energy suppliers or intermediary organisations about the potential for ECO delivery in the local area, and this activity continued alongside and was informed by the projects being studied here.

### 3.4.2 Defining the target audience

The Green Deal market was new, and the audience for Green Deal was less well defined than for other types of scheme. The schemes followed here chose to focus on a variety of segments within the potential audience. A number of schemes chose to address difficult audiences that had largely not been reached by previous energy efficiency programmes such as the private rented sector and households in hard to treat properties. Others focused much of their effort on areas where the socio-demographics suggested that householders may be more likely to be interested in the Green Deal (for example, one scheme targeted a village with a high proportion of better off households and a significant number of retirees with time available to discuss the idea). Three schemes worked with 'green' organisations, in part to see whether Green Deal would fit within their wider sustainability activities and appeal to their target market.

### 3.4.3 Marketing: messages and channels used

The message common to all schemes was that this was a way for householders to improve their property at 'no upfront cost'<sup>13</sup>. Some schemes added more specific information about what 'improvement' meant: warmth and better health, for example. Many of the schemes responded to customers' potential risk aversion by offering free 'no cost, no commitment, no risk' Green Deal Assessments.

Alongside this main message, some schemes added environmental elements and also messages specific to particular target groups (e.g. upcoming minimum standards when targeting private landlords).

Most schemes did not use widespread marketing, preferring instead to focus on specific groups of householders, including those most likely to be interested in responding to the recommendations of a Green Deal Assessment Report (GDAR)<sup>14</sup>. Only one scheme used local press advertising to promote itself, alongside targeted door to door marketing in an area considered likely to yield relatively high interest.

### 3.4.4 Local supply chain development

All but one of the schemes studied here included an element of local supply chain development. Three schemes tested implementation models that included use of local advisors. Two further schemes combined this with training for new local assessors. Two schemes held breakfast briefings for builders / installers to introduce them to the potential opportunities offered by the scheme.

### 3.4.5 Delivery of Green Deal Assessments

All schemes delivered Green Deal Assessments to householders. Some schemes also delivered Green Deal style assessments for commercial properties.

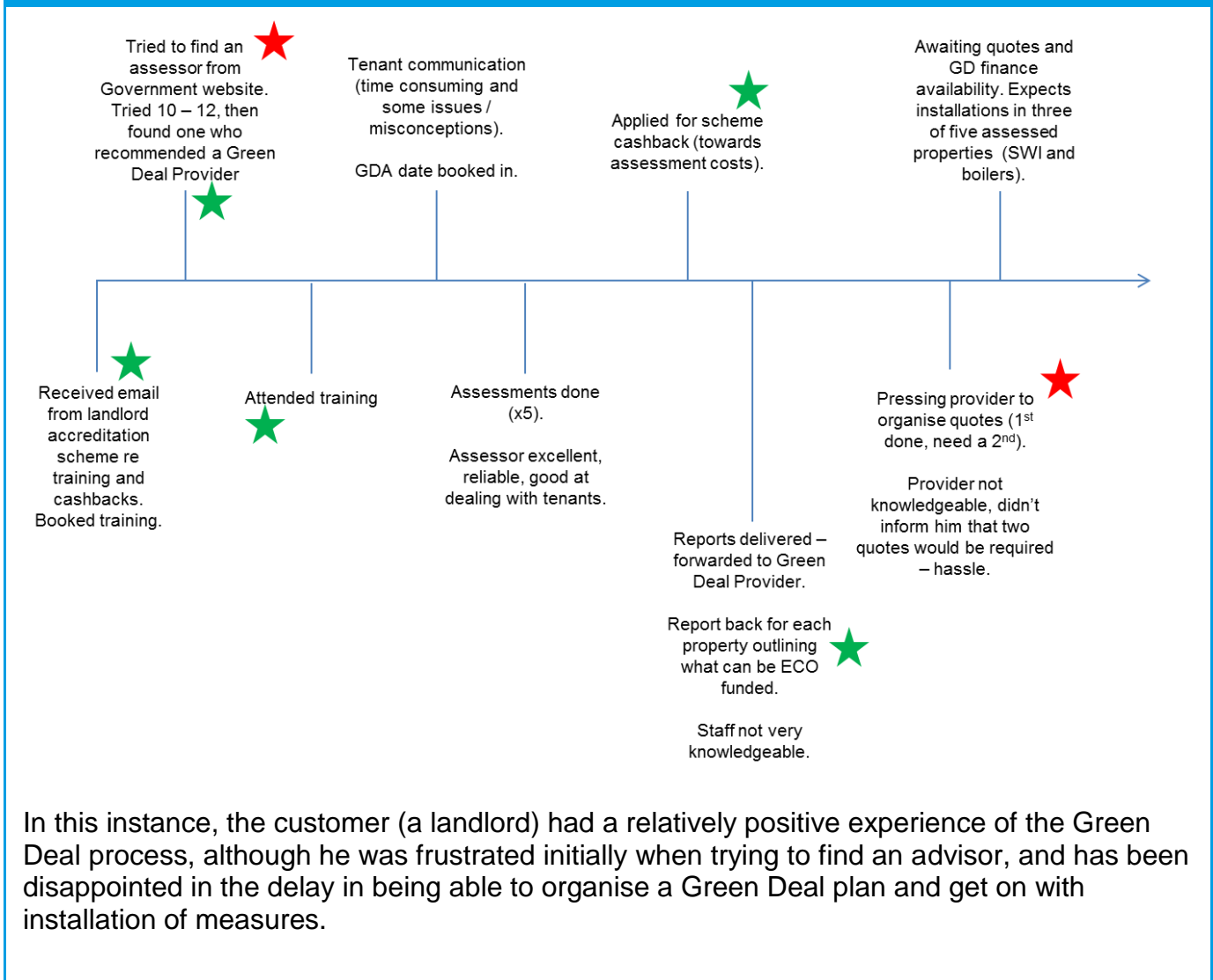
One customer's experience of a Green Deal scheme is illustrated in the box below. Other customer journeys from Green Deal schemes are included in Appendix F.

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<sup>13</sup> For some of the schemes, this message encompassed the free Green Deal Assessments that they were offering; for others, which were charging for the GDAR, the 'no cost' message was linked only to the investment costs for measures recommended.

<sup>14</sup> See section 4.2 Marketing below for more detail on marketing methods and channels used.

## Customer experience of one Green Deal scheme



### 3.4.6 Installation of measures in show properties

Many of the schemes included plans for the development and use of show properties. The schemes encountered a variety of barriers to this work (for example, one scheme was planning to select show properties based on the results of Green Deal Assessments on all the properties within the scheme and there were delays to the delivery of these assessments; in another scheme, securing a non-domestic show property was delayed by the owner taking time to decide whether they were prepared to contribute to the cost of measures) and, at the time of writing, few have completed this element of their project. However, a range of properties have been selected, assessments have been completed and, in a few cases, measures have been installed.

Schemes have taken differing approaches to the measures installed in these properties: in some cases they have decided to install only measures that can be funded with Green Deal finance and ECO<sup>15</sup>; in others they are installing a broader range of energy efficiency measures.

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<sup>15</sup> The list of measures that can be installed with Green Deal finance and under ECO (as at June 2012) can be found at [www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/69753/InformationSupplyChainFINAL.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/69753/InformationSupplyChainFINAL.pdf) and <https://www.ofgem.gov.uk/ofgem-publications/59029/energy-companies-obligation-eco-list-measures-and-additional-information.pdf>

## 4. Engaging customers

This section of the report explores in more depth the variety of customer engagement methods used by the schemes and the impact that these seem to have had.

All but one of the schemes employed a combination of universal marketing and targeted engagement. Collective switching schemes, for instance, were promoted to all within a geographic area, but with additional marketing activities geared towards, for example, those without internet access or those with English as a second language.

Targeted engagement activities tended to be driven by broad knowledge of an area, rather than the use of specific data sets. Some did use data however, with one of the schemes studied making use of MOSAIC data, for example. The scheme manager was happy with this method of targeting and one scheme delivery agent commented that 'it worked very well'. However, it was more typical for fuel poverty and Green Deal schemes to target using broader criteria (for example, targeting an area where fuel poverty was known to run at over 30%).

Collective switching was not always a familiar concept to householders, but it was easily understood. Fuel poverty schemes met with high levels of awareness, usually because households or areas had previously been targeted under Warm Front, CERT or CESP. Green Deal was the most complex offer for consumers; messaging tended to focus on "home improvements at no upfront cost / no upfront cost other than that of the Green Deal Assessment".

Vulnerable households were targeted by collective switching and fuel poverty schemes, often with specific engagement routes (for example, working with voluntary organisations) and different calls to action (for example, offline sign-up options for collective switching schemes). Drop-out rates from fuel poverty schemes were minimised where additional handholding or support was available to vulnerable households throughout the process.

Scheme managers reported widespread trust in schemes provided by councils or by voluntary organisations. Local media were variously supportive and critical of schemes; this appeared to be dictated more by the relationship between the local media and the local authority than by the specifics of each scheme. Schemes that used the voluntary sector as a route to engagement relied on existing partnerships, rather than engaging new groups; this is likely to be a function of the short project timescales, which acted against the development of new relationships.

The following sections look at how the different types of schemes were targeted and promoted.

### 4.1 Targeting

The degree of targeting employed varied by scheme type: fuel poverty and Green Deal schemes were generally far more targeted in their approach to customers than collective switching schemes. This is because collective switching schemes wanted to maximise uptake, whilst the others were only interested in reaching 'appropriate' customers, in line with the objectives of the competition or the scheme itself.

However, **collective switching** schemes did target a portion of their promotional activity towards vulnerable customers, who they generally defined as older people, those without



internet access, people with prepayment meters and people more likely to be in fuel poverty. Some schemes worked through specific community groups to target these people, but others used fuel poverty as a proxy and delivered a range of activities (community events, door-knocking, targeted mailings) to areas and groups with a higher than average propensity for this. One scheme delivered community events in collaboration with the fuel poverty scheme also running in the local area, as the target customer group was thought to have a significant overlap. In many of the schemes, more of the work with vulnerable consumers related to the support given to those who had expressed an interest in switching, rather than in targeted promotion: this aspect of the schemes is discussed in chapter 5.

**Fuel poverty** scheme managers generally had a clear idea of who they wanted to reach at the outset of the project, as they had been asked to specify this in their proposal. Whilst the fuel poverty schemes studied were targeted at low income or vulnerable households, they were not specifically targeted at those known to be in fuel poverty according to the Government definition<sup>16</sup>. Instead, a range of methods were used to target interventions, as permitted by the DECC guidance for bidders. These included proxies (means-tested benefits), local data (proportion of households in fuel poverty in wards), and delivery agents' knowledge of households likely to be in need. Methods were used alone or sometimes in combination by layering different information and data.

In one case, the decision to target specific households was based on the scheme manager's understanding that fuel poverty was not any more concentrated in one part of the local area than another. In a different instance, the decision to take an area based approach in one scheme was based on the very high prevalence of fuel poverty (more than 30 per cent of households) in a number of wards in the local area. However, the choice between these two methods (target the households or target an area) was in many cases not clearly linked to the distribution of fuel poverty within the local area. In some cases, it was linked to a council desire to explore the potential of area-based approaches more generally; in others it linked to the existing operational model of the main delivery agency.

All but one of the fuel poverty schemes managed to generate the expected level of interest from householders, and most scheme managers were confident that the vast majority of households that they helped were in or at risk of fuel poverty, or vulnerable. The basis for this confidence varied greatly between schemes: for example, one scheme manager was confident that the local authority's community partners understood well enough the criteria for determining need, and hence trusted that the people they referred would be eligible for help; equally, another scheme required proof of receipt of benefits from all households helped, and found this level of checking easy to implement. A common theme across scheme managers was that they wished to balance certainty about eligibility with avoiding spending too much money on checking this, when this money could otherwise be spent helping more people.

All the schemes studied were aiming to reach less than 1.5% of the fuel poor households in their local area<sup>17</sup>. The success of these schemes cannot be generalised beyond this small

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<sup>16</sup> i.e. needing to spend more than 10% of income on energy bills to maintain thermal comfort. On 9 July Government announced the decision to [adopt a new definition of fuel poverty](#) based on low income and higher than typical energy costs. This will replace the 10% indicator.

<sup>17</sup> The project targets are given in Table 1 of this report; numbers in fuel poverty taken from DECC fuel poverty data (see note 11, above).

scale and therefore, if local schemes are to grow in scale, a better understanding of when to use area-based approaches and when to target at the household level is needed.

### Using new data sources: EPCs and fuel poverty targeting

One scheme planned to use Energy Performance Certificate (EPC) data to identify properties with low energy efficiency and in need of cost-effective improvements and then cross reference these with council-held benefits data to identify the properties lived in by households who would qualify for help. Such an approach will be useful in future given compatibility with the new definition of fuel poverty to be adopted by Government<sup>18</sup>, which considers not only income but also energy costs (often relating to lack of energy efficiency) when determining if a household is fuel poor.

However, the scheme ran into several barriers, including difficulty getting hold of usable EPC data and legal restrictions on the use of benefits data within the council. As such, it is not yet possible to make an assessment of the usefulness of the data source as provided in this case.

The data was originally supplied in a number of separate spreadsheets and council officers were unable to link the data across the datasets and hence to identify which properties could benefit from the low cost measures on offer from the scheme. The council's IT department was able to liaise with the data provider and explain the council's requirements, which resulted in data provided in a useable format. A clear definition of what is needed from purchased datasets will help to ensure that the data is provided in a useful format.

The council officers also could not use council-held benefits data because the council's legal team determined that their team could only legally access the data for enforcement work. As councils look at gathering information across the multitude of datasets they have, such barriers to cross-team data sharing may become more of a problem.

The project is still in progress, and it may be that use of EPC data proves to be a good targeting method, but this cannot be confirmed at the time of writing. The data manipulation and legal issues it has raised may also be barriers to action in other local authorities and with other datasets.

The response to area-based targeting will have given schemes information on the cost-effectiveness of this approach, which could be helpful in discussions about local ECO schemes, particularly outside the social housing sector. Equally, the community intermediary route offers potential to target the hardest to reach, a point discussed further in section 4.2, below.

As noted above, households most likely to drive the initial market development for **Green Deal** were not yet well defined. Hence the targeting by these schemes was somewhat more

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<sup>18</sup> <https://www.gov.uk/government/consultations/fuel-poverty-changing-the-framework-for-measurement>

speculative in nature. The approaches taken split into two groups: four of the six schemes selected a closely defined group with an obvious communication route; the other two aimed to generate leads from those customers most likely to progress from GDAR to taking energy efficiency investment action and targeted likely households using socio-economic data to inform area-based approaches. The defined groups and communication routes employed in the first four schemes are explored further in section 4.2, below.

## 4.2 Marketing

There was a high degree of consistency in the main messages used by schemes within each competition theme: money savings and collective action for collective switching (see, for example, Figure 5); money savings and a warm home for fuel poverty (see, for example, Figure 6); and home improvements at no upfront (investment) cost for Green Deal (see, for example, Figure 7).



**Figure 5: Outreach team at work on a collective switching project**

Most **collective switching** schemes promoted themselves through a number of different channels, and it is difficult to determine which of these was most effective. Sign-ups peaked after some marketing activities (in particular after the insertion of leaflets in Council Tax letters) but scheme managers tended to feel that these activities had simply been 'the final straw' that pushed people to action after awareness had been raised by wider marketing activities.

Table 2, below, summarises scheme managers' views on the effectiveness of the different approaches taken. Some schemes did collect data on how people had heard about the scheme but there are limits to this data: the data was not split by vulnerable and other consumers; it is difficult to know how accurately people recall what they have seen; and this is based on a small number of schemes so, even if robust, it is not generalisable.

**Table 2: Opinions of the effectiveness of different routes to promoting collective switching**

Activity	Success in engaging customers?	Success with vulnerable?
<b>Untargeted</b>		
<b>Social media</b>	Yes	No
<b>Advertising</b> - press - radio	Yes Not so much (not felt to offer good value for money by some schemes)	Unknown
<b>Press articles</b>	Yes (more effective than advertising, but can only be secured if you are paying for advertising); unless the coverage is negative	Unknown
<b>Council newsletter</b>	Yes	Unknown
<b>Council website</b>	Yes	Unknown
<b>Council tax leaflet inserts</b>	Yes (but including information in the council tax booklet itself was not at all effective)	Unknown
<b>Leaflets in libraries, council offices etc</b>	Yes	Unknown
<b>Targeted</b>		
<b>Outreach events at shopping centres</b>	Lower level of sign-ups than hoped for; expensive	Some success but a very expensive means of engagement. Outreach team must be diverse in terms of age, gender, background.
<b>Information or presentations at other events</b>	Very variable	Very variable.

Activity	Success in engaging customers?	Success with vulnerable?
<b>Direct mail to particular groups (e.g. credit union customers)</b>	Elicited relatively low level of signups, but good for targeting vulnerable	Yes – particularly when letter is sent on behalf of scheme to members of a ‘trusted’ organisation such as a credit union
<b>Texts to council tenants</b>	Yes	Yes – much more cost effective than direct mail
<b>Articles in small circulation newsletters targeting particular groups</b>	Small numbers of signups but very low cost, so cost effective	Yes – and very cost effective
<b>Canvassers</b>	Yes (surge in calls to helpline reported from customers in areas where canvassers had visited)	Probably; canvassers were focusing on areas with high proportions of fuel poverty.

From the customer's perspective a range of entry points was evident, including via posters at the local council offices, Facebook posts, emails from the council (with one interviewee having previously expressed an interest in free loft insulation the year before) and traditional print media.

*‘We had to go down to the council offices because our rent had increased and we had to do a rent change. And there was a massive board down there. And when you’re sitting there waiting, you start reading it. And they had these little cards next to the board, so I took one because it sounded good.’ [customer, collective switching scheme]*

A consistent pattern across the six collective switching scheme customers interviewed was that collective switching is perceived differently to commercial switching – i.e. as ‘more friendly’ and ‘on our side’. Customers of one scheme liked the concept of collective bargaining to get a good deal, whereas customers of another scheme responded to messages around a good deal for people in their local area.

In the case of some ‘first time switchers’, the nature of the initiative had led them to switch when they had avoided doing so before (overcoming barriers around the perceived ‘hassle factor’, ‘being pestered’ or the savings not being worth the effort); others who did have a history of switching still saw this as a good opportunity they wanted to be involved in. There was a common view that someone was working on their behalf to take the hassle out of the process.

One scheme used the idea of communal action (getting together to persuade energy suppliers to offer a special tariff for the local area) to particularly good effect, resulting in a much higher level of sign-ups for the scheme than many other schemes, and indeed than had been expected by the scheme's managing agent.

*'It was one of the main reasons why I got involved. All these people, and you'd like to think they can get a better offer than I can get myself.'* [customer, collective switching scheme]

However, when this communal action did not result in a special tariff offering from energy suppliers, the scheme did receive some negative feedback from customers who felt that they had been misled<sup>19</sup>. Most schemes received additional benefits in the form of cash back or credit to consumers. These were not perceived as 'collective deals' by some scheme managers, leading one to comment:

*'If collective, per se, doesn't work, then we shouldn't be saying "unite together and save money".'* [scheme manager, collective switching scheme]

Another scheme manager said:

*'There is a huge effort involved in signing up those [vulnerable] people and, at the end of the day, we didn't feel like we got a collective deal.'* [scheme manager, collective switching scheme]

One scheme initially promoted the idea that switching could save customers as much as £250, because market testing suggested that having a figure for people to grasp was an important element of initial engagement. However, the scheme manager was concerned that this could have led to disappointment for people who could not save this much with the offers available.

This links to a second element of marketing within collective switching schemes: the presentation of offers to consumers. Interestingly, the schemes that had tended to focus more heavily on the value of communal action in their initial marketing then presented 'whole market' offers to customers, with the scheme tariffs highlighted either by positioning them at the top of the list or by tagging them as special offers. The schemes that had focused more heavily on the money saving elements in their initial marketing then presented customers with a single offer of the best tariff secured by the scheme<sup>20</sup>.

*'It is a very difficult message to convey – "the energy companies didn't give us what we wanted, so we are giving you the best options we can". Some of the letters and the blogs show that people didn't get it – they didn't understand why you need the [cross market] comparison.'* [Scheme manager, collective switching scheme]

It is not clear whether this difference has had any impact on eventual numbers of people choosing to switch as a result of the scheme. Scheme managers have generally been disappointed in the conversion rate from sign-up to declaring an intention to switch. Conversion rates reported by the time of writing ranged from 10% to 23%, lower than the 30% expected by many of the schemes. Of the seven schemes we followed, 4 expressed disappointment with the level of conversion from sign up to switching, one has not commented, and the other two did not yet have access to the necessary figures. Many felt that the lower-than-expected

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<sup>19</sup> The team delivering the scheme felt that they had made it clear to people that there was no guarantee that large savings would be secured.

<sup>20</sup> Customers were advised that this may not be the best option financially for them

conversion rates were because the deals offered by the energy suppliers were simply not attractive enough.

Reactions to the offer differed and there was no simple price point at which switching was considered 'worth it'. For example, one customer interviewee switched with a saving of £50 whereas another considered the same amount to be very disappointing and did not switch accordingly. As a general guide, however, savings in excess of £100 were considered positively whereas savings less than this were not. It also appears to be the case that first time/irregular switchers need a higher incentive than those who were more accustomed to switching.

Customers who chose to switch saved, on average, just over £100. The highest average saving achieved by any of the schemes was £132 (though some individuals saved substantially more than that).

Whilst most of the scheme-specific savings offered by energy suppliers were in the form of cash backs or credits on bills rather than lower tariffs, some of these customers' savings will have resulted from switching to a tariff that was in itself cheaper than their existing one.

As noted above, most **fuel poverty** schemes avoided mass marketing and concentrated on engaging community intermediaries. Many of these intermediaries were already familiar with the benefits of tackling fuel poverty and so communication was more about the details of the scheme than about engaging them with the issue.



**Figure 6: Fuel poverty scheme advert**

Most households referred to these selected schemes took little persuasion to accept help that they were well aware they needed. Four of the householders interviewed for this project were put in contact with the fuel poverty schemes through a third party – in two cases by friends, and in other instances by a voluntary organisation and a local Councillor. Three households said they were “lucky” to have found out about the project.

A key element in this readiness to accept help was that the householders trusted the organisations delivering the scheme. A number of schemes mentioned that the involvement of the council in the scheme was important in building this trust, although two also reported that it was equally important for the people visiting householders at home to be seen as independent from the council<sup>21</sup>.

*'The boiler started "clonking" 18 months ago... I'd hear noises and be afraid that the boiler would blow up... [The scheme] was an opportunity to get it sorted; it was worrying.'* [customer, fuel poverty scheme]

*As part of a poor experience of [a previous programme], the resident complained to her Green Councillor and was signposted to the project directly. 'The Councillor sorted everything out. I think her being a Green Councillor helped as well.'* [customer, fuel poverty scheme]

One area where fuel poverty schemes needed to promote their offering was when newer technologies were involved. One scheme is installing a novel communal heating system in a series of tower blocks and residents expressed concerns about the unknowns linked to this (what the radiators will look like, where the new meters will be installed in their flats). The installer's response to this was to open a site office in a void property in one of the blocks; the system will be installed in this property, and residents will be free to drop in to look at it and discuss it with the site manager. Another scheme focused on external solid wall insulation and found that the aesthetics of the system were a big selling point: people expressed interest in the scheme after seeing the improvement in external appearance of properties when the insulation was installed on their neighbours' homes<sup>22</sup>.

*'The trades see this as a skill and a craft; they want to preserve features of buildings, take pride in the job and the properties. For example, one of the lads built a new window sill to match the new exterior, unprompted, just because he thought it would look better.'* [scheme manager, fuel poverty scheme]

The routes that **Green Deal** schemes used to convey their 'property improvement at no upfront (investment) cost' message varied by target audience, and are summarised in Table 3, below.

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<sup>21</sup> Scheme managers did however note that the involvement of a trusted intermediary would not necessarily persuade people who simply did not want help and that any area-based approach is likely to encounter a number of people who refuse the measures offered: determining how to help people in need who nonetheless refuse help remains a challenge

<sup>22</sup> The scheme is operating in areas where the properties are currently not particularly visually appealing and where simple painted render is a significant improvement.



**Table 3: Green Deal scheme communication routes**

Target audience	Communication route
<b>Private sector landlords</b>	Local or regional landlords' forum
<b>Students in private rented properties</b>	Peer to peer from other students
<b>Householders in one national park village</b>	Landlord who owns most of the properties; national park staff
<b>Public sector employees</b>	Organisation's regular communication routes, including intranet
<b>'Green' and community minded householders</b>	Transition Streets
<b>Households more likely to be interested in the Green Deal offering</b>	Leafleting or door knocking in areas with appropriate socio-demographic profile as identified through e.g. MOSAIC datasets or from local knowledge
<b>Owners of non-domestic properties</b>	Direct contact and use of existing networks

Most of the eight customer interviewees heard about the scheme through a trusted intermediary organisation (for example, a local environmental group). Both of the landlords were made aware of the scheme through their accreditation scheme.

Motivations for participating varied. One householder and one landlord wanted energy efficiency improvements without spending capital up front. The two landlords were keen to bring their homes up to as good a standard as possible. Other motivations included making the home warmer / more comfortable, and reducing energy bills. One householder was keen to “try out” Green Deal so that he could advise others in his local environmental network.

Figure 7 below shows the use of online marketing to promote a Green Deal scheme.

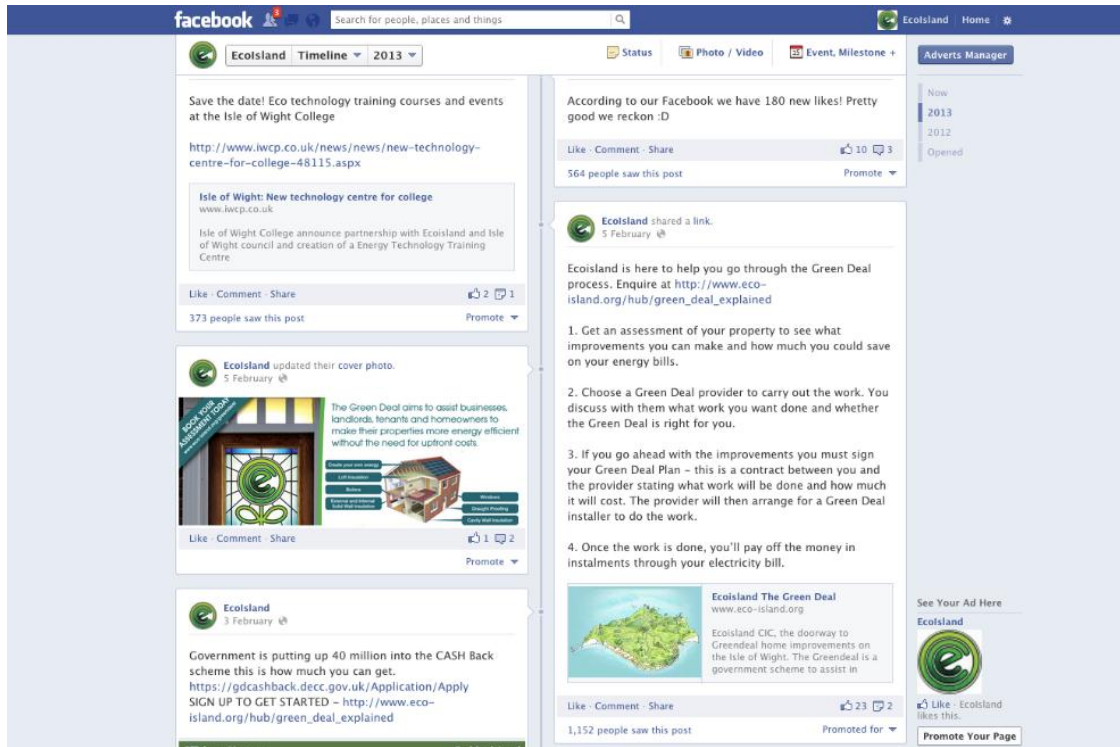


Figure 7: Facebook page for a Green Deal scheme

Figure 8 shows a Green Deal advert using messages related to trust.



Figure 8: Green Deal advert, focusing on trust

The area-based approaches to 'likely' households, for example using a Transition Streets approach to work with households already somewhat engaged with relevant agendas, or working with a national park authority to target one particular village all seem to have been successful in generating requests for Green Deal Assessments, as the schemes concerned met (and in one case significantly exceeded) their targets for assessments without need for additional promotion. Communications with public sector workers were not as successful (although this may be because of specific internal communications issues<sup>23</sup> at the council in question) and the schemes working with students and private sector landlords faced particular barriers that are discussed further in section 4.3, below.

Customer interviewees had a number of concerns before the process started. These included finding all the documentation they might need for their assessment, getting the assessment done within the project timeframe and whether the report would be too technical. One householder had questions about what would happen later: would any newly installed equipment or measures work, and what if the occupants were to move house? Engagement of the non-domestic sector was at a relatively low level, and largely relied on existing contacts and leads or those known to have an interest in environmental issues, so there was little to learn in terms of engaging this sector. One scheme hit their target of 60 non-domestic Green Deal Assessments, though it was unclear whether these were full assessments using the software or rather more generic energy surveys, as different assessors had different views on whether or not the required software was usable at the time of the assessments.

#### **Engaging the commercial sector in developing a show property**

One scheme that was close to completing the installation of measures in its show properties at the time of writing has included two non-domestic buildings. One was a village hall, and the other was a commercial property. The board of a small company that owned a suitable commercial property in need of measures was initially interested in the potential financial savings; however, after considerable negotiations, the board felt unable to commit the 25 per cent contribution to the cost of measures that was being requested. A second business owner - a single owner with decision making power - was approached and committed to co-financing the recommended installations at his property. The work will result in a significant reduction in energy bills for the property, an interesting on site exhibition and a potentially newsworthy story (the property is a tourist attraction) and is consistent with the sustainability strategy in place for the business.

Four of the six schemes studied here intended to use show properties as one route to promote their scheme to their target audience, including to the non-domestic sector. However, delays in selection of buildings, in securing agreement from building owners and in the delivery of GDARs<sup>24</sup> have meant that many of these properties have yet to be retrofitted with energy

<sup>23</sup> In this case, the communications team edited an internal press release and in doing so removed important information, so it had to be reissued

<sup>24</sup> In some schemes this resulted from lack of assessor availability in the early stages of the schemes; in others, scheme managers decided to use non-domestic buildings rather than homes so that they could select buildings that it would be easy to access in future, and there were issues with readiness of the non-domestic assessment software.

efficiency measures and none have been used to promote the schemes being discussed here. An illustration of the activity to date, in one scheme in the non-domestic sector, is given in the box above.

### 4.3 Engaging the private rented sector with the Green Deal

The proposed forthcoming minimum standards regulations were used as a key marketing message to encourage landlords to take advantage of getting a discounted GDA.

*'Landlords are increasingly seeing energy efficiency as important. Legislation is on their horizon, though some haven't heard of it.'* [delivery partner, Green Deal scheme]

However, in one scheme that was targeting private landlords, only 8 out of 116 properties that had a GDA completed were in the F or G band. This might suggest that the landlords engaging with this scheme were not primarily motivated by achieving the minimum standards.

Those engaging with these schemes were the more proactive landlords, who were already members of landlords' forums. One landlord summed up his motivation for taking part as follows:

*'I want my properties to be as efficient as possible. I'm attracted by the idea of being able to improve my properties without having to pay for it myself. And my tenants will get a better home without having to pay for it either. And it will create lots of jobs which is fantastic.'* [landlord, Green Deal scheme]

Both landlords and tenants needed to be engaged to get a Green Deal Assessment completed on a property. Schemes took different approaches to engagement. One focused entirely on the landlord, leaving it to them to engage with their tenants. This could be a time consuming process for landlords.

*'Educating my tenants was time consuming and involved dealing with some misconceptions'* [landlord, Green Deal scheme]

*'The landlord/tenant relationship is very important with Green Deal. In much of the private rented sector, there is no relationship; interaction is through a third party or only when there is a problem.'* [scheme manager, Green Deal scheme]

Another scheme also targeted the private rented sector, specifically student housing. Here, the engagement mainly targeted the tenants (students) rather than landlords, with the opportunity to carry out paid pre-assessments of properties as a precursor to full Green Deal Assessments. One issue that arose here was that tenants were not as familiar with their homes as landlords would have been (in terms of heating systems and insulation, for instance). Tenancies in the student housing sector tend to be short, with less incentive for tenants to commit to improvements to properties when they are likely to move out before they can feel the benefit. The scheme managers also held workshops for landlords themselves and felt they had a better response, with landlords signing up for GDAs there and then. As a result of this pilot work the scheme managers are considering targeting landlords directly in future private rented sector projects around measures, and targeting students with messages around behaviour change and reducing bills.

It appears, from these early schemes, that initial engagement of the landlord is a more promising route. However, this will not address properties where there is little or no relationship between the landlord and tenant. One scheme manager noted the importance of letting agents, but the schemes we followed here had not engaged this group so it is not possible to say what might be effective here.

Schemes targeting the private rented sector encountered a number of sector-specific barriers, including issues related to the Consumer Credit Act (CCA) and who will be responsible for the Green Deal debt in a privately rented property (DECC published a consultation on this on 9 May). At the time the projects were delivered, there was also some confusion over whether or not ECO could be used on void properties. One scheme manager interpreted Ofgem guidance as saying that you cannot use ECO on voids, and there was a request from one scheme manager for shorter, clearer guidance<sup>25</sup>.

*'Guidance on voids for landlords is hard to find, long, dense and time consuming to read. It's not written with the target audience in mind.'* [scheme manager, Green Deal scheme targeting the private rented sector]

However the landlords who had participated in a scheme and were interviewed for this work were more inclined to recommend Green Deal than householders. Whilst they were frustrated earlier in the process with lack of assessors, they are hoping to make progress now that they have their reports. They consider that Green Deal basically allows them to improve their properties “for free” (because the tenants pay bills and charges).

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<sup>25</sup> DECC issued a consultation on 24 July, seeking views on a small number of technical amendments to the Electricity and Gas (Energy Companies Obligation) Order 2012, including clarity on delivering ECO during ‘void’ periods. The amendments are designed to ensure the ECO Order is aligned with changes in the broader policy landscape, and to provide greater clarity on certain aspects of the Scheme to aid its continued smooth delivery. Government will be publishing a response in due course.

## 5. Supporting low income and vulnerable households

Fuel poverty and collective switching schemes took extra steps to target and support low income and vulnerable households.

Collective switching schemes operated helplines or offered face to face advice to explain some of the more complex elements of the switching process to people. Some fuel poverty schemes offered support or handholding to vulnerable households throughout the process, reducing the likelihood of householders dropping out. Householders responded positively to having a trusted organisation and individual helping them through the process (fuel poverty schemes) or to speaking to someone at the council or a known voluntary organisation (to sign up for collective switching).

Other elements of support delivered by the schemes included taking the needs of vulnerable households into account in scheme design and allowing some flexibility in scheme eligibility criteria. Scheme managers confirmed that more time for scheme delivery would have enabled greater targeting or prioritisation of measures to those most in need<sup>26</sup>.

The rest of this section details some of the specific elements of schemes that were developed to support low income and vulnerable households.

### 5.1 Trust

The collective switching and fuel poverty schemes included a range of processes to support low income and vulnerable households. One of the key common factors across all the schemes was the importance of trust within the relationship between the householder and all agents involved in the scheme. Scheme managers or customers from seven schemes explicitly noted the value of local authority involvement in ensuring this trust (either simply because it is the local authority, or because it helps to emphasise the 'not for profit' nature of the scheme), although two also highlighted the need for people who visit householders in their own homes to be seen as independent from the local authority:

*'There is a distrust of officialdom; people ask "are you part of the council?" and the correct response is "no".'* [scheme manager and home visitor, fuel poverty scheme]

The value of community action in creating trust was also recognised:

*'Obviously, you always have the option of switching. But I've never really thought there would be that much in it... I thought if everyone is doing this, the savings are going to be better. The group mentality, you know - let's all do it and all get a better deal.'* [customer, collective switching scheme]

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<sup>26</sup> People included in this category were those most vulnerable to the ill effects of insufficient warmth and those that were unable to heat their homes because the heating system was broken or completely inadequate.

From the householder perspective, there was broad trust in local authorities and their representatives. For fuel poverty schemes, this was often couched in a general trust that the council would know what was best.

*'I'm a trusting person actually. Some people can see the other side of things and are more mechanically or technically minded - but I'm not. I'm just hoping that everything's going to be OK.'* [customer, fuel poverty scheme]

Schemes could also improve trust by including quality checks within the scheme process. In one scheme, checks on 50 installations resulted in two cases where work needed to be corrected, and in both cases the required work was completed within days.

## 5.2 Dealing with complexity

**Collective switching schemes** worked in various ways to help people who had not switched previously. A number had helplines that could talk people through the sign up process, as well as answering any questions and concerns they had about the process. Others offered face to face advice. Many householders did not initially realise that they needed energy bills to hand when signing up and some of those who did have them available found it difficult to locate the relevant information on their bills. Helpline staff also found this a challenge: one scheme provided staff with copies of bills from all the major energy suppliers so that they could familiarise themselves with them; and in a number of extreme cases, helpline staff even called energy suppliers on behalf of householders to find out the relevant information.

Data on the numbers signing up who had not switched before was not available from all of the schemes. Those that did collect this data found that between 40% and 50% of those signing up said that they had not switched before.

Sign-ups from prepayment meter customers varied from 1% to over 16%. (The national proportion of customers on prepayment meters is 16% for electricity customers and 12% for gas customers<sup>27</sup>.)

Those that were most successful in engaging with non-switchers and the vulnerable put their success down to their routes to market.

*'A text from the council to all its social housing tenants, a letter from the credit union to all its customers and adverts in small circulation newsletters targeting the key audiences (such as the elderly) were both particularly effective at engaging with vulnerable customers.'* [scheme manager, collective switching]

At least two of the schemes we spoke to made the point that you need advertising to raise general awareness and then community engagement to create trust. *"Community engagement is the only way to reach some people."*

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<sup>27</sup> Source: Quarterly Energy Prices, DECC, Q1 2013 - <https://www.gov.uk/government/organisations/department-of-energy-climate-change/series/quarterly-energy-prices>

Another scheme manager commented,

*“Spending a lot of money in a short period of time doesn’t work in terms of engaging hard to reach. Traditional advertising and marketing is good at raising awareness but this is a long process for vulnerable consumers – they need contact on a house by house basis and through local champions who are respected and trained in what switching involves.”*

Schemes presenting whole market offers to customers risked putting people off with too much information to process. However, one of these schemes included a telephone call to each person who had signed up off-line, to talk them through the offers available and help them select the most appropriate one for them. These telephone calls resulted in a higher level of conversion from sign-up to stated intention to switch than any other element of any of the collective switching schemes, with 30-40% of people reached by phone agreeing to switch<sup>28</sup>. Table 4, below, gives more detail of the numbers reached by different schemes.

Another scheme, in the final stages of the switching period, paid additional money to the switching provider to make outbound calls to those that had registered and received an offer but not yet switched. This resulted in an additional 300-400 customers switching.

*‘The outbound calls were expensive, but were effective in getting our target audience to switch.’  
[scheme manager, collective switching scheme]*

**Table 4: CET scheme sign ups and switching rates<sup>29</sup>**

	Sign ups	Not switched before	How many offline?	Percentage switching overall	How many PPM switchers?	Average savings per switcher
<b>CET1</b>	8366	n/a	n/a	14%	6%	£112
<b>CET2</b>	5378	50%	30% no internet access	23%	14%	£108
<b>CET3</b>	2799	50%	16%	10.5%	4% (of sign-ups)	£126
<b>CET4</b>	1st - 35,379	n/a	1st - n/a 2nd – 11%	1st - 14% 2nd - 8%	3.5%	Not yet known

<sup>28</sup> The calls were made by the switching provider; the final conversion rates for any scheme were not known at the time of writing, as for all schemes customers are still within the time period during which they can change their mind about switching.

<sup>29</sup> These are initial figures obtained during the period of evaluation. There may be some differences to final figures.



	Sign ups	Not switched before	How many offline?	Percentage switching overall	How many PPM switchers?	Average savings per switcher
	2nd - 18,203					
<b>CET5</b>	998	n/a	18%	n/a	5% (of sign-ups)	Not yet known
<b>CET6</b>	12,500	40%	n/a	17%	n/a	£132
<b>CET7</b>	4000	n/a	n/a	4% to date	n/a	£139 (potential)

Most CET scheme customer interviewees reported a simple (online) registration process. Three had not switched for at least a couple of years and so had consistent usage data that they could simply take and enter online. One householder had switched a lot before so could not get an accurate year on year pattern from his bills; another was surprised to be asked for his monthly expenditure rather than units of gas and electricity used.

Issues with the sign-up process mainly related to getting the right data. One interviewee knew that he had input incorrect data to the switching website. Several interviewees noted that friends and family they had talked to had struggled to find the data needed.

Within the small sample of customers interviewed, there was a clear correlation between switching and recommending switching to others. Customer interviewees who switched all said that they would recommend collective switching; those who did not, all said that they would not recommend it. For two interviewees, this was because they did not receive their offers by post in time to meet the switching deadline; for the third, this was because of disappointment that savings were lower than anticipated.

A well-known issue for many past **fuel poverty** initiatives, both local and national, has been the number of households dropping out during the process. To counter this, a number of the selected schemes receiving funding from this Competition offered help to householders (particularly those that were vulnerable) at various stages of the process (for example, in one scheme the council would step in to sort out any issues with sourcing quotes from installers or if there were any quality issues with the installation; in another, the initial home visitor made it clear that they could be contacted at any point during the process if the householder had any concerns).

All the six householders interviewed said that their new heating controls were explained to them by the installer, and that the installer set the controls in the first instance. Most were wary of changing the control settings so had left them as they were; and two did not know how to change the settings despite the explanation from the installer.

The caseworkers in one scheme, mentioned above, helped to ensure that the scheme had no drop-outs during the survey and installation process. Whilst the caseworkers only spent a little

time with the majority of scheme customers, they reported a number of cases where the process would not have been completed without significant interventions from them; two of these are illustrated in the box below.

### How additional support can ensure works are seen through to completion

The value of handholding and support, particularly for vulnerable householders, can become most apparent when works are scheduled to take place. One fuel poverty scheme highlighted the value of additional support for residents in two instances.

In the first case, on the day that works were originally scheduled, the resident had to go into hospital. She was there for 2-3 weeks, during which time the caseworker stayed in contact with her and the installer and arranged for the works to be carried out the day after she came home.

Another resident suffered from a condition which meant that having installers in the property was extremely stressful for her. The caseworker helped to persuade her to go ahead with the works; however, when the installers arrived, the resident became anxious and asked them to leave (locking all their tools and materials inside the property). The installers recovered their belongings and, through the intervention of the caseworker, agreed to reschedule the works. The works were then carried out by a larger team in a shorter time frame, to minimise any further anxiety for the resident.

## 5.3 Tailoring solutions to suit the individual

People without internet access cannot as easily switch energy suppliers. Many of the **collective switching** schemes included work to provide a switching method for these people. All customers were eventually signed up online, but those without internet access at home could in various schemes use telephone helplines and provide information over the phone; fill in their details on paper and send them to the scheme; or visit council offices where people were available to help them use council-provided terminals. In one scheme, representatives went to community events and signed people up at these events. This approach did reach the target audience, but was more expensive than other approaches in terms of cost per sign-up.

One scheme found that 30% of those signing up did not have internet access at home; others found that between 11% and 18% of those signing up chose to do so over the phone or in person, rather than online.

The usual way for customers to see switching offers was via the switching provider's website or by email. Schemes overcame this barrier for those without internet access either by sending the offer through the post and providing low cost or freephone numbers for customers to call if they were interested in the offer, or by telephoning customers. One scheme encountered significant difficulties with the postal option, as delays in the postal service meant that a large number of customers had not received their offers by the time the switching window closed.

Schemes noted a number of ways in which the process of switching did not take into account the circumstances of lower income and more vulnerable consumers. Accurate estimation of current energy bills is vital to the process of determining the savings available. Prepayment meter customers may be particularly liable to inaccurate estimation: scheme managers reported that these customers tended to recollect what they actually paid for energy in the last week or month, rather than average monthly spending across the whole year. Also, since

eligibility criteria for Warm Home Discount and social tariffs vary between suppliers, tariff comparisons cannot take this into account and so do not provide an accurate savings estimate for customers who receive either of these. Customers need to be aware of this particularly when switching to a new supplier to ensure they do not lose out.

Some of the **fuel poverty** schemes were designed simply to install a small range of simple and cost-effective measures<sup>30</sup>. However, others - particularly those that involved home visits - were designed to take a flexible approach to ensure that the needs of the householder were best met. In some cases this could involve works additional to the main measures (e.g. renewal of pipework in heating systems); in others it could mean not installing one or more recommended measures if the householder was not happy with the idea of having them.

## 5.4 Flexibility in eligibility criteria

A number of the selected **fuel poverty** schemes mentioned that they had allowed some flexibility when applying their eligibility criteria, so that they could help people who were clearly in need (for example because of vulnerability to health impacts) but who would not otherwise qualify (for example because they were just above the income threshold). It was clearly important for some scheme managers to ensure that they were able to help these people, and it is worth noting here that the numbers of people involved seem to have been quite small (one or two people per scheme).

The degree of flexibility required was linked to the eligibility criteria defined: the schemes offering measures to anyone living in defined geographical areas did not need any flexibility. Similarly the manager of another scheme that had defined a very wide set of criteria, including anyone with children under five or whose health was made worse by cold weather, was happy that everyone in need could be helped within the criteria.

Both the initial definition of eligibility and the degree of flexibility allowed have implications for the number of households *not* in fuel poverty who may be helped by the schemes. This raises the question of how many non-fuel poor households it is acceptable for schemes like this to help when resources are constrained and helping a non-fuel poor household may result in a fuel poor household not receiving help.

The scheme that simply used location within an area of high fuel poverty as its eligibility criterion accepted that a more focused approach, using pre-assessment of interested households, would improve the targeting of the scheme. Scheme managers in all other schemes were confident that the vast majority of people they helped were in fuel poverty<sup>31</sup>, and that this was fine, although one delivery agency was uncomfortable with helping even one or two households that they felt could have funded the measures themselves.

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<sup>30</sup> For example, loft and cavity wall insulation or new boilers

<sup>31</sup> Those who quantified this suggested that 90 to 99 per cent of recipients were fuel poor.

## 5.5 Prioritising those most in need

A general theme running through all the **fuel poverty** schemes studied in this project was the lack of time available for prioritising those most in need. Most scheme managers would have preferred to prioritise installations in some way to reflect severity of need, and would have done so if there had been more time for scheme delivery.

However, there can be other objectives that compete with giving priority to those in greatest need: one scheme deliberately excluded larger properties from its activities because the council wished to ensure that the scheme helped as many people as possible and focusing on smaller properties meant a lower average cost per property, meaning that more households could be helped within the available budget. The scheme manager recognises that there may be asset rich but income poor households in larger properties who need help, and is preparing options for the council to consider for future work.

Despite the lack of explicit prioritisation, some schemes clearly did reach some households in severe need, as demonstrated by some of the householders we interviewed: one household could only get hot water by boiling a kettle; another householder had been sleeping in her living room in front of an open fire as her bedroom heater was not working. Other households reported physical health effects of living in cold homes and the mental health effects of living with heating that was noisy, faulty or unreliable.

## 5.6 Resource requirements for providing support

Provision of support for vulnerable households was a task that varied with the type of scheme and with the household concerned. Therefore it is difficult to make generalisations about the levels and types of resources needed for this. However, the schemes have demonstrated a number of points that are worth noting here.

Firstly, providing support to households can take significant time, which has resource implications.

The **collective switching** schemes that included helplines all noted the length of time needed to help people make the decision to sign up and/or to help them through the process. This averaged 15 to 20 minutes, and included time to sort out sign up difficulties and also time for more general discussion. One council used its Customer Service team to carry out sign-ups by phone: this led to longer than average call times (typical calls to the team are 2-3 minutes, compared to 15 minutes for a switching sign-up) and longer hold times for other customers trying to contact the council.

The **fuel poverty** schemes that offered the highest level of support to householders noted that this involved spending a considerable amount of time with some of them. The support was often offered by specialist community groups, and these organisations were not surprised by the level of input needed. Councils new to this type of work may wish to consider involving such groups at the project planning stages where their knowledge could be very valuable: they can advise on the likely time requirements and also help to ensure that the right 'type' of people (support staff and installers), who can reassure worried customers appropriately, are involved in scheme delivery.

The scheme that used home visits to determine measures for each household took care to arrange several consecutive visits in one local area to minimise travel time, and hence was

able to complete four or five visits in one day. These visits resulted in discussion of a range of issues important to the householder, and referral to other services where appropriate, as well as agreement on the energy efficiency measures to be installed.

Another scheme was very closely managed by the council team, with staff carrying out an initial visit, contacting the householder's selected installers to arrange quotes, making appointments for installations and visiting after works had taken place to check quality. This was very resource intensive for the council (more so than they had expected), but the additional support may be reflected in their customer satisfaction survey results, which show over 95% satisfaction with the overall scheme and over 80% with the council's management of it.

As mentioned in section 5.2, above, case workers who supported households through the installation process in one scheme reported that the amount of time spent with clients varied hugely and was very difficult to predict. Some clients required only one or two quick follow up chats to make sure that they were happy with progress to date and to answer questions, whilst others required a lot more intervention.

One **Green Deal** scheme offered intense and immersive support to customers going through the process. This was seen as effective but very expensive, and likely to appeal to environmentally motivated householders more than to the wider population. It could also act as a catalyst for action in the wider population, as people see measures such as External Wall Insulation, and knowledge of their benefits spreads. This effect has been seen in one of the fuel poverty schemes installing EWI.

Time was not the only resource requirement: the people supporting vulnerable consumers needed to have the right skills and training to deal with the situations encountered appropriately and sympathetically.

In **collective switching** schemes, helpline staff had to be prepared to talk more widely than just about the scheme:

*'Some [of the people who call in] are very vulnerable and want to phone up for a little natter.'*

In **fuel poverty** schemes, staff awareness of a wide range of local support services, relating to a range of potential householder needs beyond energy efficiency, was an asset. Such knowledge enabled them to offer a broad range of valuable support that could benefit the householder.

Installer skills and attitudes were also important. One scheme manager mentioned specifically selecting installers who he knew would be good with vulnerable people. Customers from several schemes mentioned that the attitude of the installers had contributed to their confidence in the process.

*'I was concerned about getting a plumber I could trust. Knowing my luck, I'd get a rogue trader.... But the installer was really helpful and put things where I wanted. He even offered to wait before using the drill while the baby was asleep.'* [Scheme customer, fuel poverty scheme]

*'It was very quick with no mess - clean as you go - hoovering as they went.'* [Scheme customer, fuel poverty scheme]

## 5.7 Degree of householder agency

In many of the fuel poverty and Green Deal schemes looked at, there was a strong lead from the scheme manager or delivery agent. Most fuel poverty schemes tended to control what was specified and who was chosen to install it, while Green Deal schemes provided a limited list of Green Deal Advisors for use by scheme customers.

Where increased householder agency was required, this led to more anxiety and concern during the process.

One Green Deal scheme customer noted that he had called "10-20" Green Deal Advisors before he identified one who showed up to carry out the assessment. This was time-consuming; he reported that it would have been preferable if the council had identified one or two advisors from which he could choose.

Customers of one fuel poverty scheme also had to select their own installers from a list of around 30 provided by the council (the list was derived from GasSafe and Oftec registers, plus the county's trusted traders list). Three customers of this scheme were interviewed and all reported that they picked installers at random (at least in part) because they had no knowledge of the firms on the list they were given.

All of the fuel poverty scheme customers interviewed had received and valued a high degree of support during the process. Scheme representatives carried out initial and follow-up surveys, liaised with installers and made appointments for works on the householders' behalf. The support was described as "reassuring": in one case, it helped a householder overcome their concerns about central heating; in others, it helped allay anxiety about getting quotes from installers.

Where householders were left to manage elements of the process themselves, for example choosing installers, they felt anxious that they might make the wrong decision.

It is also interesting to think about householder agency in collective switching schemes. The reduction of choice in some schemes (presenting only one offer to households) meant that there was a straightforward decision about whether or not to take up the offer. Schemes which presented the whole market to potential switchers risked causing confusion about why the "local" deal was not necessarily the best available.

One of the interviewees in a scheme which offered a market comparison valued this as it showed her that she was getting the best deal. One interviewee (in a single-offer scheme) did his own market comparison on the grounds of due diligence (and still switched); whereas others thought about it but did not. One was tempted to phone his existing supplier to see if they could match or beat the offer; but decided against it on the grounds of both hassle and that it "defeats the object" of participating in a collective scheme.

## 6. Working with and through local partners to increase interest and uptake

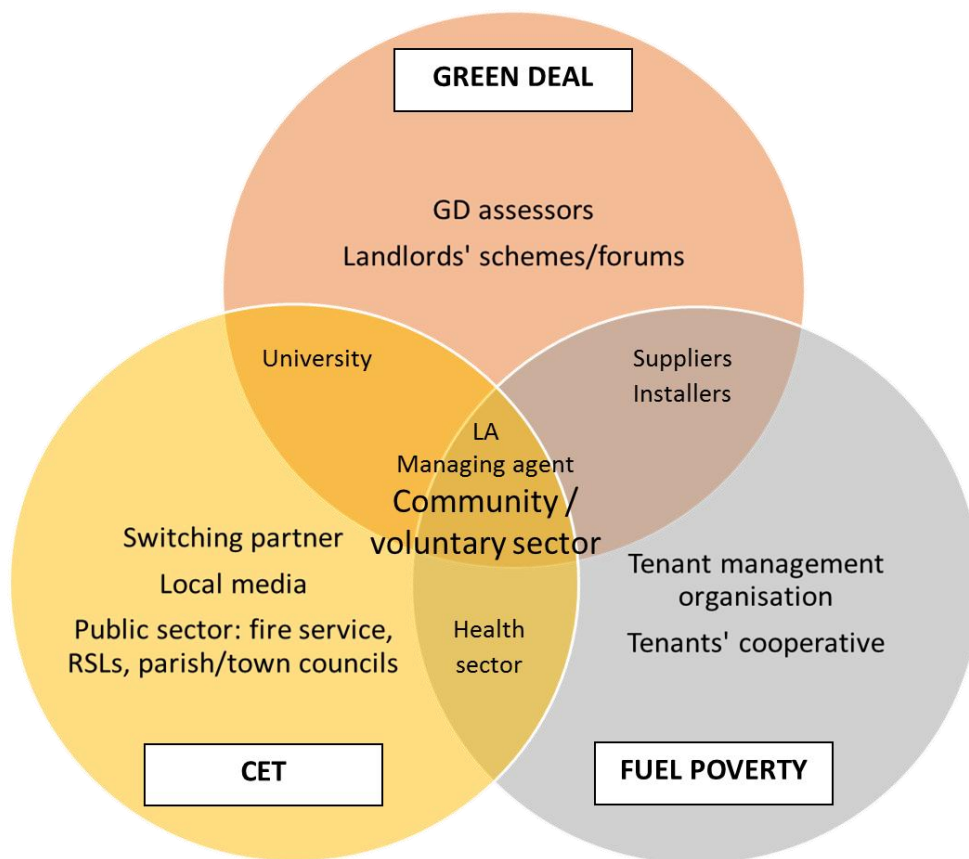
This section explores the ways in which scheme managers worked with colleagues and other organisations to deliver their schemes. In most cases, the scheme lead was a local authority; however, their roles varied based on the amount of control that the local authority retained over delivery compared to how much was outsourced to delivery partners. Also, some schemes saw collaborative working between authorities (particularly on collective switching and Green Deal), with joint procurement and marketing activity commonly carried out.

Most schemes included engagement with the local community and voluntary sector; however, much of this made use of existing relationships, rather than developing new ones (principally a factor of the limited time for delivery). Close alignment of objectives and a clear understanding of roles appeared to be success factors for these schemes.

In many schemes, it was the interaction between the scheme manager and the commercial market that caused the most challenges. Across all of the funding streams, there were issues around the capacity of the commercial market to deliver services within the timeframe; this was particularly acute but understandable for Green Deal schemes given the new and emerging nature of the market. Alongside capacity issues, there were information and data issues; again these were significant for Green Deal schemes (see 6.4 below) but also had an impact on collective switching schemes (see 6.6).

Most of the schemes followed in this project involved multiple partners and key stakeholders in scheme delivery. Many also included a number of these in scheme design. For the purposes of this report, 'partner' will be used to denote any organisation that played a significant role in scheme delivery, whilst 'stakeholder' will be used to refer to other organisations with an interest in the scheme, but that played no role, or a minor role, in scheme delivery.

Figure 9 below shows the types of partners typically engaged in schemes.



**Figure 9: Partners typically involved in this sample of schemes**

## 6.1 Geographical scale

**Collective switching** schemes had varying views on the optimal geographical scale for such activity. Larger scale activities (i.e. at the level of a county or city region) were thought to be the way to attract interest from larger energy suppliers and exert more market power, although the results from the schemes studied do not demonstrate either of these effects strongly. Smaller scale schemes were seen as a way to encourage smaller energy suppliers to offer switching deals, which may be an objective for some schemes.

Multi-authority schemes also enabled authorities to share the workload and overcome capacity issues. Two schemes used co-ordinated marketing over a county / city region area and both felt that this was beneficial. It may be that reinforcement from marketing in the different local areas (e.g. where travel to work areas crossed local authority boundaries) increased engagement in these schemes, compared with what it would have been in the absence of this reinforcement, but there is no firm evidence to support this.

*'District level would be too small for a switching project, especially for prepayment meter customers. It would be harder to do as a solo authority - we would have had to dedicate the time and resource to branding, materials, procurement. County seems the way to go.'* [scheme manager, collective switching scheme]

*'If [the scheme is] small, then you probably get no interest from big energy suppliers. Conversely, if it's big, then the smaller suppliers might drop out of the auction as they don't*



*have the capacity to take on tens of thousands of new customers at once.' [scheme manager, collective switching scheme]*

Some scheme managers felt that smaller scale schemes should result in better community engagement. The evidence on this is mixed although the highest level of engagement, in terms of the proportion of the population signing up to the scheme, did come from a small scale scheme. Two of the smaller scale schemes followed here also worked together, and with a third scheme using the same switching provider, to work through some of the issues that arose and in this way partially addressed the capacity issues mentioned above.

## 6.2 Local authority working

The local authority role in delivering the schemes studied here ranged from retaining complete control over delivery, through various types of partnership working right up to completely handing over day to day control to carefully selected delivery partners.

Capacity and procurement issues were the drivers for some in handing over day to day control of projects to other organisations. In some cases, local authority managers simply recognised that there were other local organisations with more time and skills that were better suited to delivering the schemes within the time available. In one scheme, the local authority and a group of community organisations had worked together on the definition of the scheme and had agreed that the community organisation should take the lead on delivery because their ability to respond quickly and lack of bureaucracy meant that they were in a better position to deliver the work in the timeframe available. As one scheme partner commented:

*'It's a really interesting mix of partners. The marketing channels [such as opportunities to reach social housing tenants, in a variety of ways, and credit union customers] that the partners brought to the table were great. The council label gave some impetus and credibility to the scheme... In general, the approach we chose worked very well.'* [Local authority officer / project lead, collective switching scheme]

Another factor that influenced the extent to which authorities retained control over day to day delivery was the perceived risk in handing it over to another organisation. Where the local authority and the delivery organisation had a long-standing relationship and there was a high degree of trust, officers were more inclined to hand over responsibility. Where officers had experience of problems with previously contracted schemes, they were more likely to want to retain a greater degree of control over day to day operation.

Local authorities faced a number of procurement issues when delivering these schemes: half of the schemes studied mentioned procurement as a challenge of one type or another that had to be overcome during scheme design or delivery. Most significant amongst these was the amount of time required to go through procurement processes and the impact this might have on scheme deliverability given project timeframes. Schemes used a number of options to address this including:

- Providing grants to organisations to deliver schemes, with grant conditions set so that the local authority had appropriate mechanisms for checking that the scheme objectives were met;
- Requiring householders or landlords to obtain their own quotes for installation work; and

- Using existing framework agreements to procure switching providers and installation contractors.

Although these provided a means to deliver the schemes on time, they did have drawbacks for a number of schemes. For example, one collective switching scheme that wanted to offer a green tariff option was unable to do so within the framework agreement that it joined. In another, fuel poverty, scheme, the council would have contracted directly with a local business but the lack of time drove them to use a framework. The contractor used under the framework then sub-contracted the delivery work to that same local business and added a 4% management fee, reducing the funding available for measures.

Procurement issues were increased somewhat by multi-authority working, as procurement rules varied between authorities and negotiation was required to ensure that all procurement teams were happy with the processes being followed. Nonetheless, multi-authority schemes did manage to successfully procure services within the required timeframe.

A number of fuel poverty and Green Deal schemes involved installation of External Wall Insulation. These schemes had to find ways of working effectively with the planning department, and a number of lessons were learned. One fuel poverty scheme knew that a neighbouring authority had already tackled the issue of EWI and had set up a workable system with its planning department, so they borrowed this system and implemented it locally. A Green Deal scheme discussed with planners the sort of information (e.g. photographs) that would be needed within a GDAR to facilitate the planning process. One scheme brought planners together with scheme partners to discuss how best to balance energy efficiency and amenity considerations, although the scheme manager did not feel that much progress had been made.

A number of scheme managers commented on the impact the scheme could have on the council's relationship with its citizens. In some cases this was simply a feeling that the project would result in 'good news' stories that the council could use to improve public perception of its work. In one case, however, the development and implementation of a collective switching scheme was seen as part of a more general move towards a co-operative council approach to local governance.

*'It's a tangible example of being a co-operative council, rebalancing the relationship with citizens to a collective conversation, something to do together. Residents like that local authorities have nothing to gain but are still doing it. Fairness resonates with people.'* [Council Head of Policy, collective switching scheme]

### 6.3 Community organisation working

A number of different types of community organisation were involved in the delivery of the schemes, including local councils<sup>32</sup>, charities and social enterprises. The types of activity they took part in cannot be generalised; however, local councils and charities were more likely to be involved in reaching vulnerable consumers in collective switching and fuel poverty schemes,

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<sup>32</sup> Parish, Town and Community Councils

whilst social enterprises were more likely to be involved in the delivery of Green Deal schemes. In some cases, community organisations led collective switching schemes.

The key capacity that many community organisation partners brought to schemes was an in-depth knowledge of the local community and a position of trust with this community. This proved particularly useful where schemes targeted vulnerable households via community intermediaries. Most organisations had experience of carrying out similar work for other schemes and so had the skills necessary. However, some community organisations that were central to delivery of collective switching and fuel poverty schemes were initially swamped by the unexpected level of demand that these schemes generated. But the organisations concerned were flexible enough to respond to the challenge, in some cases taking on extra temporary staff, in others working extended hours.

*'Because we had money for publicity, we were really able to shout the message. This led to a massive increase in calls - we have had more calls in three months than we normally would in a year.'* [delivery agent, community organisation, fuel poverty scheme]

For some organisations the schemes were a departure from their normal activities, particularly for Green Deal schemes. The organisations affected by this were all social enterprises, and saw the development of Green Deal related activity as part of their business plan and so were happy to spend the time learning the necessary details.

Only one scheme faced the barrier of a potentially serious skills gap in the community organisation involved in scheme delivery: in this case a tenants' organisation will take over the running of a new communal heating system, including responsibility for buying gas and billing residents for heat. This is a very new role for them and, at the time of writing, the organisation was concerned about whether or not it had the capability to undertake this role. They have a deep sense of responsibility for making purchasing decisions on behalf of residents.

*'You can't drop the residents in it... I'd hate for some of the residents to have excessive bills - they'd lynch you!'* [tenants' organisation committee member, fuel poverty scheme]

One potential contrast between local authorities and community groups was that, for some local authorities at least, maximising the cost-effectiveness of implementation (measured in terms of either the amount of overall energy efficiency improvement or the number of households helped) was a key factor in project design, whereas for many of the community organisations involved, it was more important to maximise impact in other ways (e.g. reaching the hardest to reach, providing a comprehensive help service, or starting an in-depth conversation about energy).

*'If you target the fuel poor and the hard to reach, it will always be expensive (cheap collective switching schemes will only ever get the low-hanging fruit). If you want to get to vulnerable customers, you need extra money.'* [scheme manager, collective switching scheme]

Both views on what constitutes scheme effectiveness are valid, but the difference does make it difficult to compare the effectiveness of different schemes.

## 6.4 Operating in a market context

All schemes interacted with elements of the market for energy-related services, and this presented a number of challenges.

The selected **fuel poverty schemes** were usually dealing with familiar commercial relationships, such as contracts with insulation installers, and hence there was little learning in this area. However, two schemes faced a barrier in the length of time taken to arrange and receive quotes for work from several installers. Both overcame this by reducing the number of quotes required (in one to a single quote, in the other to two) once they were confident that they had a good understanding of a reasonable price for the work required.

One scheme worked with a national installation company with which it had a long-standing relationship. The existing agreement with the company was a social value contract, and required that installation work was sub-contracted to local companies. At least one other scheme is now developing a similar agreement with the same company.

All fuel poverty scheme households that were interviewed had a very positive view of the installation process. It was generally described as “quick” (ranging from 1.5 days to around a week for the most complex case), neat, tidy and responsive. Simple things like cleaning as you go made a very positive impression on householders.

The main commercial challenge for scheme managers in **collective switching** schemes was the relationship with the switching provider. For most, this was a new type of relationship and many reported that, with hindsight, they were not aware of all the elements of the service they required and hence did not always include all of them in their agreements with switching providers.

Agreements between schemes and switching providers varied. Most schemes were not charged by the switching provider for their involvement in the scheme (so their contractual relationship was not that of customer and supplier, with which councils are familiar).

All switching providers received (undisclosed) fees from energy suppliers for each person switching. A portion of this (typically £5-£10 per switcher) was paid over to the organisation running the scheme. In some cases, the figure depended on the method of switching. Fees were only payable once the switches have been completed; therefore, at the time of writing, no scheme yet knew their final income from referral fees.

All schemes provided offers by email (to those who had signed up online) or by post (to those who had signed up offline). The amount of further chasing of customers varied considerably between schemes and may well account for the disparity in the proportion of people switching. Some schemes only had provision for chasing up by email (if at all). The most successful schemes, in terms of conversion from sign up to switching, allowed for resource-intensive telephone follow-up; as mentioned above, in one case this carried an extra cost to the scheme manager with lower subsequent referral fees.

All the scheme managers indicated that experience of running the scheme would inform their approach to the switching provider if they repeated this type of work and that they were likely to be looking for a different agreement. This would not necessarily involve major changes, since schemes were generally happy with the service delivered by providers, but three areas for improvement have been identified: the way that scheme offers are presented to customers in

schemes where a whole market offering is included; the data supplied to scheme managers by switching providers and any conditions on its future use; and the degree to which registrants who don't initially choose to switch are followed up.

A number of schemes commented on the lack of competition in the switching market: one scheme had only one bid from a switching service provider in response to their invitation to tender, and several schemes commented that the level of activity generated by the schemes was stretching switching provider capacity at various points during scheme delivery.

The timing of the schemes, during the early stages of the emergent **Green Deal** supply chain and accreditation process, meant that schemes encountered a number of significant issues with local capacity to deliver Green Deal assessments. The first of these was the capacity amongst existing advisors to deliver the required number of assessments in the time available. This was mentioned by three of the six schemes followed here, and was a particular issue in London, where it was difficult to find advisors willing to work in the local area.

The second issue was the time taken to accredit newly trained advisors: four of the six schemes planned to increase local capacity by training new advisors and then employ these advisors to deliver the scheme GDARs. However, none of the newly trained advisors received their accreditation in time to deliver scheme assessments and so schemes had to procure assessments from existing suppliers. Scheme managers found this frustrating, and did not understand why the accreditation process was taking so long.

*'Around 30 properties are lined up for GDAs but none of the assessors have been accredited yet, despite some completing their training in January... We just need the assessors!' [scheme manager, Green Deal scheme, mid-March 2013]*

*'Green Deal Assessors have still not been accredited. I suspected this might happen after the delays accrediting DEC assessors. As a result, we've seen increased costs for assessments as we have had to go to the external market.' [scheme manager, the same Green Deal scheme, mid-April 2013]*

The third issue was the quality and timeliness of the GDARs themselves. Four schemes noted initial issues with some of the required software, and four schemes also highlighted the variation in how advisors approached the occupancy assessment, with some treating it very much as an exercise to produce the necessary piece of paper whilst others took the opportunity to have an in-depth advisory conversation with the householder. In a small number of instances, the assessments were not lodged within the required fourteen day window, due to issues with software in some cases, and assessors wanting more time 'to reflect on the assessment' in others. This meant that advisors had to re-visit properties to update photographs, causing hassle for the householder. This links to the fourth issue encountered: two scheme managers commented that some advisors appeared to lack the necessary customer service skills; for example, where a return visit was necessary, there was little or no apology for any inconvenience caused. However, as one scheme manager noted, this was for most, if not all, advisors the first time they had actually carried out a Green Deal Assessment and some of these aspects may well improve as the market develops.

All of the schemes paid a fixed fee for Green Deal Assessments, as proposed in their funding bid to DECC. Fees had to include all travel, lodgement and certification costs. One scheme had asked local advisors to submit prices so that they could use an average price; these varied

from £50 to £250, although most fell within a £100 to £150 range. Larger Green Deal Assessor Organisations tended to quote at levels above the price quoted by sole traders.

Five of the six householders interviewed said that they found the Green Deal process as they had experienced it “frustrating”.

Experiences of the Green Deal Assessment were variable and dependent on the individual advisor. Two of the customer interviewees commented on the inflexibility of the assessment criteria and their view that the advisor did not take information they provided on board (e.g. that the home is known to have irregular cavities, or the annual energy bills that householders have themselves calculated). Both landlord interviewees struggled to find an advisor for several weeks and reported having to expend significant effort identifying and chasing up potential assessors. Communications with the customer were not always clear: for example, one interviewee booked his assessment with one company, who then sent a different organisation (sub-contractor) to do the assessment without informing the customer first.

Whilst variation in quality in the delivery of any service is to be expected, particularly when it is an unfamiliar and new service to all concerned, schemes have noted that the results of the assessment were difficult for customers to understand. For example, the recommendations on the EPC and on the GDAR differ, because the latter takes into account the results of the occupancy assessment, but this appears not to have been explained to the customer in most cases and many did not understand why the recommendations differ and which set they should be following.

Most customer interviewees had difficulties with the Green Deal Advice Report. Some found the language and style of the report confusing and inaccessible. Others reported mistakes which had to be rectified. In several cases, the report was largely ignored and the interviewees, in those instances, relied instead on email conversations with the assessor and/or simply sending the report on to a Green Deal Provider.

Scheme managers felt that advisors should spend more time explaining the results of the assessment to customers. However, the prices agreed for the assessments did not take into account this time requirement. Opinion amongst schemes as to the level of service that can be delivered within the agreed price differs: one scheme manager commented that it should be possible to source appropriately skilled people to deliver comprehensive and meaningful assessments for £80, whilst another considered £150 too small an amount to deliver the time required for a robust technical and occupancy assessment. The time pressure on advisors was reflected in an observation from one scheme manager that local advisors were unwilling to travel any significant distance to complete assessments as the time involved was too great.

Four interviewees said they were struggling to find Green Deal Providers who were ready to agree Green Deal Plans and carry out the required work. One interviewee found his way to a website showing registered providers but was disappointed that location is not prominently displayed (“How can I find a local company that I can trust?”). He was also disappointed that the companies listed did not prominently say they were Green Deal Providers, meaning that there was some discontinuity when you hit on a hyperlink to the provider’s own website. Others mentioned that, whilst the website was OK, the postcode search function identified Providers who did not cover the local area or who refused to do work for properties where they (or their network) had not carried out the assessment.

## 6.5 Building partnerships and engaging key stakeholders

The partnerships used in the schemes can be split into three main types: existing, well established relationships that were utilised or built upon for the scheme; new relationships that the scheme helped to initiate; and inter-scheme relationships that helped to support delivery.

Existing, well established partnerships were usually informal working arrangements between organisations and the rationale for partner involvement was that the scheme was coherent with one or more of their aims. Trust between partners was a key element supporting project success, and also helped projects get up and running quickly.

A number of scheme managers noted that the scheme had provided the opportunity to build new relationships. In the case of one **fuel poverty** scheme, this was with the Clinical Commissioning Group in the local area. The scheme manager commented:

*'The Clinical Commissioning Group couldn't see what the housing standards team might have to offer, and this project got the conversation started.'* [scheme manager, fuel poverty scheme]

The local authority and the CCG are now in discussion about future projects and the opportunity to highlight the health effects of living in cold home, and embed a focus on tackling fuel poverty in the local health and wellbeing agenda.

A number of **Green Deal** schemes built relationships between local authorities and community organisations that were well placed to build community engagement on this issue, and two of the schemes enabled authorities to build on existing options appraisal work to decide which Green Deal delivery option they wished to take forward in future.

Cross-scheme working enabled some of the **collective switching** schemes to provide mutual support to one another as they tackled issues with which they were unfamiliar. In one county, local areas with DECC competition funding and those without came together to deliver a co-ordinated multi-area switching scheme, overlaid in funded areas with area-specific marketing and outreach activities. This enabled sharing of tasks and hence maximising the work achieved with limited capacity.

Some scheme managers in collective switching schemes had hoped that community buying power would engage large energy suppliers and persuade them to offer special tariffs. However, this did not happen in practice. None of the offers involved a special tariff (with the possible exception of Ovo Energy, which offered to freeze its 2012 rates purely for customers signing up under one of the schemes studied). All of the others offered cashbacks or bill credits instead, for example, £250 cashback twelve months after switching. Many scheme managers reported finding this disappointing.

*'We haven't managed to get anything in terms of good tariffs - unfortunately. The special offers in terms of cashback or credit were not quite what people were expecting.'* [scheme manager, collective switching scheme]

*'Cashbacks are very attractive to customers but make it difficult for customers to be able to select the tariff.'* [scheme manager, collective switching scheme]

One switching provider commented that the schemes' expectations were unrealistic, since the numbers of people potentially switching in one local area would not be anywhere near the threshold at which a large energy supplier would consider introducing a new tariff.

*'[The] volumes don't justify the big 6 designing a new tariff. Even the biggest so far - for Which? - was 35,000 switchers, which wasn't enough.'* [switching provider]

*'Suppliers are more comfortable with cashbacks than with offering a special tariff.'* [switching provider]

The provider also noted that there are a number of factors totally outside the control of the schemes that will determine whether or not a particular supplier engages with a particular collective switch, including whether or not their current tariffs are competitive, and whether their current strategy is acquisition of new customers or retention of existing customers.

Collective switching schemes did not offer much in the way of savings for customers with prepayment meters. Those choosing to switch through these schemes typically only saved around £50, and in some cases this included an additional cashback of up to £20 funded from referral fees. In many schemes, the majority of prepayment meter customers could not save anything by switching. One scheme manager pointed out that firms specialising in energy supply for vulnerable consumers do not always offer their tariffs through third parties. These firms are a key stakeholder that the schemes followed here did not engage, but which could be considered in future work.

Some schemes had engaged with energy suppliers to secure ECO funding for their projects, although these tended to be schemes installing measures in multiple social housing properties. A number of scheme managers commented that suppliers did not seem to be interested in ECO work outside this sector at the time, although the schemes did not specifically test ECO delivery in the private sector.

Scheme managers in many schemes increasingly regarded installers as key stakeholders or partners, rather than simply delivery contractors. As mentioned in section 5.6, installer behaviour is central to the customer's experience of a scheme, and scheme managers recognised the value of working with installers who they could trust to act appropriately in the homes of vulnerable people. Two scheme managers also mentioned installers as one good source of referrals, as they are aware of households in need of help, from doing other work for those households.

The level of involvement from potential community stakeholders was very mixed. One scheme noted that the short time available made it very difficult to engage the voluntary sector; another reported that the availability of local resources was attractive to Parish and Town councils; others reported significant support from tenants' organisations and charities such as Age UK, when the stakeholders concerned could see a clear benefit to their members / clients.

In general the view of partnership working from the schemes was that its major benefits were the sharing of resources, skills and experience, and the drawbacks were the effort needed to co-ordinate partners and reach common agreement on scheme details.



## 6.6 Data

The selected schemes used and generated new types of data, and this has raised a number of issues.

As discussed in section 6.4, agreements between **collective switching** scheme managers and switching providers varied considerably. One element of this variation involved ownership of data about people signing up to the scheme and people switching. Several schemes commented that they now have a better understanding of the data that is produced by these schemes and hence would be in a position to negotiate a more useful data sharing arrangement with their switching provider in future schemes.

In some schemes, data gathered through the scheme on vulnerable consumers initially resided with a community organisation involved in scheme delivery. The extent to which the local authority had access to this data varied between schemes. Some schemes had agreements in place that required full sharing of data; in other cases, there was no formal agreement but the community organisation was happy to share the data with the council. However, in at least one case, the community organisation delivering the scheme was not willing to share the data with anyone because they told scheme participants that they would not do this. Their motivation for this was the protection of vulnerable consumers from potential commercial approaches in future. This meant that there could have been scope for sharing information with other not-for-profit organisations had this been agreed at the outset of the project.

A general recommendation from scheme managers was that data sharing agreements should be in place before the start of a scheme, and that these should be based on a careful examination of the potential future uses of the data. One scheme manager also noted that putting in place a data strategy for a new scheme, identifying where and when data is needed and what level of data quality will suffice, can help with activities such as mid-project review and further targeting.

### Skills for data manipulation

The issues encountered by one fuel poverty scheme in using EPC data have been highlighted previously in this report. The scheme manager relied on IT department help, both in negotiations with the data provider and in manipulating the usable data once it was received. Pressures on IT department time led to delays in scheme implementation, and the scheme manager expressed concern that in future, following staff cuts, there would be less IT support available.

On the other hand, several of the schemes studied here demonstrated local authorities' ability to use complex datasets effectively. For example one scheme employed specialist IT support to assist with complex layering of datasets with GIS. In this scheme, mapping from DECC was overlaid with data from a credit union, a council survey and social housing data about use of prepayment meters to enable targeting of households likely to be in fuel poverty as part of a collective switching initiative.

## 7. Learning for future DECC competitions

Scheme managers were very positive about the Competition overall, particularly the application process and the flexibility and support shown by DECC once funding had been awarded. However, there were criticisms of the award process - related to its timing - and of the length of time available to projects for delivery. A longer delivery timetable would have enabled more sophistication in targeting, particularly of vulnerable or hard-to-reach households.

Two of the local authorities that we studied had received funding across all three streams: they took different approaches to promoting their offers (one bundling collective switching with fuel poverty, the other bundling fuel poverty with Green Deal). Both identified advantages of running multiple schemes at the same time, particularly in raising public awareness, having something available for everyone and building the profile of energy issues within the council. However, taking on three schemes at one time caused resource issues in both cases.

### 7.1 Scheme managers' views of the competition process

Scheme managers across all three strands of the Competition were in general very positive about the competition process. They thought the application process was straightforward and those that had engaged with the webinar<sup>33</sup> had found it useful.

Scheme managers were less positive about the award process. They would have preferred notification of success a little earlier, enabling scheme preparation to start before the Christmas break. Scheme managers also requested that DECC better understand the administrative processes within local authorities, and the fact that these often do not allow quick turn-around of contractual documents.

Scheme managers were all very positive about the support they had received from DECC during the competition process and during the implementation process, commenting on the responsiveness, flexibility and helpfulness of their contacts within DECC.

### 7.2 Timescales and timing

The Competition was funded from various DECC budgets intended for use in 2012-13. Although schemes were aware of the timescales in advance, the importance of appropriate delivery timeframes is a key learning point. The experience of these selected schemes offers some evidence that longer timescales (six months or more) would be beneficial.

The main feedback from these schemes related to time available for initial development of the scheme. Scheme managers felt that the (cost) effectiveness of their schemes could have been improved with more time to develop project-specific relationships, pilot and refine marketing

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<sup>33</sup> Organised by DECC to enable live discussion of bidders' questions

messages and communication routes, and use the most appropriate procurement method to secure the best delivery partners.

The organisations delivering the schemes at times struggled to meet the sudden increase in capacity required, although all did manage to respond to this challenge. Schemes also encountered barriers linked to supply chain capacity to deliver the level of activity required over the available time period. It is likely therefore that a somewhat longer delivery period could have increased the quality of project delivery, as well as making it a more enjoyable experience for the project managers.

However, one point to note in favour of the compressed delivery timescales was the impact of a high level of marketing over a short period of time. Many scheme managers commented that this helped to raise the level of awareness in the local area, in some cases to a level far beyond their initial expectations. Of course, a concentrated marketing campaign can be designed in to a longer-running scheme.

There were points to note about the timing of the projects for all three types of scheme. Firstly, the Green Deal schemes felt that they were attempting to deliver initial Green Deal market development activities too early, and that the projects should have been run when the supporting mechanisms such as the assessment software and assessor accreditation were running more smoothly. There has also been an issue with progressing beyond GDARs, which will be discussed further in section 8.4.

Secondly, some fuel poverty schemes reported delays in works because of the season and the weather. Two schemes reported delays in external works going ahead because of cold weather in March and April<sup>34</sup>, whilst another reported that it was difficult to get quotes from heating installers as they were busy with the everyday business of boiler repairs.

Thirdly, several switching scheme managers noted that the time of year (after Christmas, with related bills and quarterly fuel bills coming in) and the weather (an unusually cold spring) had pros and cons. It caused difficulties for marketing, reducing response to outdoor events and making canvassing more difficult, but at the same time was helpful in generating customer response because people were very aware of their fuel bills.

### 7.3 The impact of multiple funding streams

The three funding strands were run at the same time, and projects funded by the Competition were implemented at the same time. This had some impacts on scheme design, delivery and legacy.

This evaluation followed activities in two local areas which each had schemes funded under all three of the strands, and the learning below is drawn from these two local areas.

Both areas had designed cross-stream working into their scheme design. In one area, the plan was to deliver home visits to support engagement in both the fuel poverty and collective

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<sup>34</sup> Rendering of External Wall Insulation cannot take place when the temperature is too low, and temperatures were unusually low over the period of scheme implementation.

switching schemes. In the other, data analysis with MOSAIC data was used to target areas for fuel poverty or Green Deal activity, and in each area identified the plan was to communicate information primarily about the scheme for which the area had been targeted, but then also to include reference to the other scheme, so that households that did not fit the predominant socio-economic profile of the area could see that there was also a scheme that might suit them, reflecting the importance to the Local Authority of being able to offer something to all households.

In the first area, the sheer scale of the response to collective switching marketing meant that the plans for combined home visits proved impractical, and the extent of telephone support delivered by the collective switching team increased hugely. In the second area, there was evidence that households did respond to the secondary information about whichever scheme was not targeted at their area, although the scale of this was not known at the time of writing.

Both local authorities reported that running all three schemes together had impacts on engagement with energy issues. In the first scheme, the advertising of multiple schemes in local media at the same time was thought to have led to significantly greater engagement than if each scheme had run separately; there is no firm evidence to support this, but all scheme managers took calls from people who were actually interested in one of the other initiatives (and were able easily to pass them over to the right scheme). In the second scheme, the impact on engagement was within the council itself. The officer managing the schemes reported that she had been able to have conversations on energy action with a range of people who had simply not been interested prior to the large increase in activity due to the three schemes.

Both local authorities recognised that they did not have the internal capacity to deliver three schemes at one time. However, this was not a problem: in the first instance, all three schemes were designed to be delivered by community partners; in the second, one scheme was designed for delivery by a community partner, another was designed to be co-delivered by the authority and a local delivery agent, and the third was managed in-house by the council, working with a commercial partner.

All of the schemes followed here could see the benefits of combining different types of energy activity, and their future plans for this are discussed in sections 8.3-8.5, below.

## 8. Scheme legacy

The lead organisations involved with the schemes reviewed here reported a close alignment between the activities carried out and their own organisational objectives. There was a strong sense of responsibility around fuel poverty among local authorities, which manifested itself both in the fuel poverty and collective switching schemes. Local employment and economic growth were important drivers for fuel poverty and Green Deal schemes.

Most of the collective switching and Green Deal lead organisations were likely to carry on with related activities in future. Scheme managers felt more confident to negotiate with commercial partners (particularly in collective switching and fuel poverty schemes). However, whilst the scheme managers would like to carry on with fuel poverty work, they were unlikely to be able to do so in the absence of external funding. Some remained concerned at their ability to access ECO funding for private sector housing, because they felt that energy supplier expectations (for example, identification of a significant number of properties in a very small area that all require particular measures and where households all qualify for ECO Affordable Warmth support) were unrealistic.

Opinion was divided about the crossover between the streams, with some scheme managers associating collective switching with fuel poverty, and others seeing a closer fit with Green Deal. The idea of "having something available for everyone" was expressed by a number of schemes and has some power. It echoes anecdotal evidence from a number of fuel poverty referral schemes run in the past, where engagement of health and community sector partners appears to have suffered if the scheme cannot help the people they refer.

Each scheme (including those funded under the Competition but not included in this study) will be submitting evaluation data to DECC. Schemes in the West Midlands and Cheshire are being evaluated using the same methodology by SHAP and the results are being disseminated across the group; this should identify common success factors and challenges which can help to inform DECC's thinking. Schemes are on the whole keen to share their experiences and the lessons they have learned from these projects. Although few have specific plans for how they would do this, many found valuable insights which they believe should be shared so that others do not have to follow the same steep learning curve. A small proportion of these are captured in this report but more could be accessed through the scheme evaluation reports themselves and through peer to peer interaction with the scheme managers.

### 8.1 Coherence with organisational priorities and aims

In general, the schemes had been developed and funding bids submitted because they were consistent with the priorities and aims of the team responsible for them (in the case of local authorities) or the organisation as a whole (in the case of community groups).

The extent to which team commitment in local authorities was backed up with organisational support varied between schemes, as did the nature of the agendas that schemes were seen to be supporting.

Many of the officers involved in the schemes were working in departments that had seen significant reductions in staff numbers recently, and in two cases the officers running the schemes were working in councils with no dedicated energy or sustainability officers.

On the other hand, a number of scheme managers mentioned the support of the council leader or portfolio holder and noted the value of this support, for example in ensuring that council processes were implemented as speedily as possible to support scheme implementation.

One scheme manager highlighted the links between collective switching activity and the council's twin agendas of green growth and moving towards a more co-operative style of working. However, another commented that he was not sure that collective switching activity would continue were he to leave the council.

One officer noted that the fuel poverty scheme delivered with this funding was clearly linked to council strategic priorities of employment, inward investment, fuel poverty alleviation and carbon reduction. An officer in another authority stated that although there is a lot of support within the council for action on fuel poverty, there was less interest in the 'green' agenda since a change in political control. The current scheme helped officers in the council working on fuel poverty issues as it brought in money to enable a focus on vulnerable people and hence brought attention to this area.

Support from local political leadership was important to the impact of schemes. One customer of a fuel poverty scheme only became involved because of the intervention of a local Councillor. Another collective switching scheme had statements of support from a portfolio holder in the local press.

*'The mayor's approval was very powerful. His tweet had a big impact; he is very well respected and liked. He promotes it as being a good thing for [the area], not a political thing.'* [scheme manager, collective switching scheme]

A number of scheme managers commented on the impact of the scheme itself on organisational commitment to related issues. As mentioned previously, one officer noted that she was now able to have conversations about key issues that were not possible prior to the scheme. One of the community organisations leading a collective switching scheme reported that the team involved in the scheme were now educated in the issue of fuel poverty and the extent of it in the local area and were consequently passionate to do something about it.

Schemes can open doors to other activities with householders also. The householders interviewed who had been involved in collective switching schemes were generally happy to receive emails from the council / scheme about any other initiatives (and so schemes like this potentially have a 'foot in the door' value).

## 8.2 Plans for future collective switching activity

Managers from two of the seven schemes followed here had definite plans for future switching activity; each was planning to participate in another auction during the summer. A further three scheme managers were waiting to fully evaluate the results from the present activity before deciding whether the local benefits were sufficient to justify further action in this area.

One of the remaining two scheme managers was very unlikely to participate in further collective switching activity, whilst the other did not see how activity could be repeated without further external funding.

The scheme managers that had definite plans for future activity were using learning from the present scheme to refine their approach. Things that they will change include: improving

internal IT systems so that the process is smoother; providing more information to people to make sure they understand the information needed for the sign up process; agreeing different terms with the switching provider to get what they want (e.g. branded web pages for the scheme); and improving data sharing by the switching provider.

Scheme managers who did not want to run further collective switches or were unsure about it were nevertheless thinking about how they could best support more vulnerable households to switch suppliers if it would provide useful energy bill savings, or indeed how else they could help these households to reduce their energy bills. A small number of scheme managers were not convinced that the value delivered by collective action justified the cost of that action, and felt that any future funding may be more effectively spent targeting vulnerable households individually. However, there was not an obvious route to switching for those without internet access, outside the collective schemes.

All of the collective switching schemes will result in the payment of referral fees to the scheme management organisation. At the time of writing, the precise amounts that will be paid were not known because these depend on numbers of customers switching and these were not finalised.

Some scheme managers have clear plans for some or all of the money: the two schemes with definite future switching plans intend to use the money to support marketing of these future schemes. Those who do not yet know whether or how they will work on further collective switches have a variety of plans for the money: one scheme will use the money via a fuel poverty action fund; in another scheme 10% of the pot will be put into a fuel poverty fund and 40% will fund future switching activity; in two schemes, a proportion of the referral fee pot was used to improve the deal being offered to prepayment meter customers; the remainder will be used by the scheme managing agents either to support their general charitable activities, or to fund other work helping people on prepayment meters to get a better deal from the energy market.

A few scheme managers mentioned wider activities that may result partly from their work on collective switching. One scheme manager mentioned the wider partnerships that the project has helped to create and the hope that these would be used to develop a range of community activities in the future. Another is considering the potential for collective action for other services (e.g. insurance or broadband) and also how to take deeper action to tackle energy bills as:

*'Collective switching is only holding back the tide of rising energy bills to a certain extent.'*  
[scheme manager, collective switching scheme]

Most schemes have not yet reached the point where they have decided what they might do with the data generated by the scheme, although they do recognise its value.

*'There is a positive legacy regardless of winners and losers in the collective switching process. We now have a database of thousands of residents who are interested in being contacted about collective action.'* [Head of Policy, local authority, collective switching scheme]

### 8.3 Plans for future fuel poverty activity

The scheme managers involved in these selected fuel poverty schemes are focusing on three areas of future activity: working with energy suppliers to access ECO funding; targeting the hardest to reach, and offering support to people who don't qualify for help under ECO<sup>35</sup>.

A number of scheme managers mentioned using their experiences from the delivery of schemes to inform their discussions with ECO providers. Local authorities and social housing providers are working to set up large scale schemes to kick start ECO delivery in their area.

Some do express concerns that the energy suppliers do not have a realistic view of action outside the social housing sector and are hoping that local authorities will be able to deliver them large numbers of ECO eligible households in small geographical areas: it may be that some of the information from these schemes will help to present a more realistic picture of what may be possible<sup>36</sup>.

One scheme manager highlighted the issue of individual householders who would fall through the cracks despite being vulnerable to the effects of living in a cold home; householders who do not meet the eligibility criteria for ECO Affordable Warmth, nor live in an area that is receiving support through the Carbon Saving Communities Obligation. He would ideally like to develop a role for community organisations to find and help these people, alongside referring eligible people on to the relevant ECO provider.

The council that has retrofitted four tower blocks under this scheme is keen to apply learning from the project to inform work on the 270 or so blocks in their stock that will not be eligible for ECO funding. Several scheme managers mentioned having a waiting list of people who they had not been able to help under the present scheme, ready to be referred to other sources of funding as and when these become available.

### 8.4 Plans for future Green Deal activity

Future plans for Green Deal work remain uncertain in the local areas studied here. This is in part because the issues encountered by the schemes due to the embryonic nature of the Green Deal supply chain have led to less progress than they had initially hoped. However, the scheme managers have identified some specific areas for potential future work.

Two local authority scheme managers mentioned that the experience of the work and its outcomes would help the council decide on its role in Green Deal delivery. Social enterprises involved in scheme delivery are considering how best to develop their 'neutral broker' role as

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<sup>35</sup> At the time of scheme implementation, ECO was a new obligation, and it was not yet clear how it would work in practice. Page 25 of DECC's recently published framework document on future fuel poverty action summarises the elements of the obligation and the role that it might play:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/211180/FuelPovFramework.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/211180/FuelPovFramework.pdf)

<sup>36</sup> It may also be that suppliers are focused on delivering their Carbon Saving Communities Obligation at the present time and that, when they focus more on the Affordable Warmth Obligation they will be more interested in working with local partners to target individual householders.



part of the developing Green Deal infrastructure in their local areas and note the relationships with local Green Deal Assessors that they have started to form.

One scheme developed and used a pre-assessment tool, and the scheme manager is considering whether, and how, this could be licensed for use by other local authorities, potentially free of charge.

A number of schemes included elements of local supply chain development. Most were keen to see this continue, but this was one area where barriers (such as slow accreditation of new assessors in the early days and the lack of progress in any scheme beyond GDAR to installation of measures) prevented progress during the schemes and so future plans remained uncertain at the time of writing.

## 8.5 Links between collective switching, fuel poverty and Green Deal

Scheme managers were asked how they thought the three strands of action within these schemes (collective switching, fuel poverty and Green Deal) fit together at the local level. Opinions were split in three ways.

Some scheme managers could see the links between Green Deal and fuel poverty activity, as they were keen to develop a local approach that would offer a way in which all householders could improve the energy efficiency of their homes - if customers didn't qualify for help under ECO then they had the option of funding measures through the Green Deal.

Others could see links between fuel poverty and collective switching, as they saw their role as helping vulnerable people and these two types of activity had the potential to do this.

A third group considered that all three types of activity should be linked in to locally delivered, in-depth discussion of energy issues at the household and community level.

## 8.6 Sharing and using learning

Many of the scheme managers showed an appetite for sharing the learning from their activities. Schemes in the West Midlands and Cheshire, for example, are being evaluated using the same methodology and sharing their findings at a conference. As a further example, one fuel poverty scheme manager plans to report on activities to the regional HECA forum and, as a well-resourced authority, to offer support to other councils who may lack internal resource. The fuel poverty fund has opened a group on the LGA's Knowledge Hub where schemes can share experiences. This could be replicated for the other themes, and methods through which the learning could be shared outside the local authority sector could be explored.

## 9. Conclusions

This chapter presents some tentative conclusions from the work. The qualitative nature of the study and the fact that only a small sample of schemes was studied in detail means that these should be taken as issues worth further consideration, rather than definitive recommendations.

The first section below summarises some of the key findings in terms of what was found to have worked and what was less successful, across all the schemes studied. The second section notes some key challenges that were either not tackled or not overcome by the schemes studied. The final section proposes some areas of policy and practice learning that can be drawn from the information collected in this study.

### 9.1 Key learning: what worked and what didn't

#### 9.1.1 What worked

A diverse range of projects was implemented over a short timescale, and all projects delivered some success, demonstrating that local authorities can develop schemes to meet local needs and can test a range of delivery models.

Many of the schemes studied here relied on good partnership working between local authorities (and other scheme managers) - for example in the joint production of marketing materials, or in discussions between scheme managers about decisions needed in new areas of working. This offers a potential route for increasing the capacity of local authorities to implement increasingly complex or larger scale energy schemes.

**Collective switching** schemes successfully combined general awareness-raising through local media with a range of activities to target more vulnerable groups. Schemes were able to persuade significant numbers of people to sign-up and, in schemes where the relevant information was collected, a large proportion of the people signing up (40 - 50%) were people who had not switched supplier before.

The most effective way to reach the general population and persuade them to sign up for a switching scheme, within the schemes studied, was using local media marketing to raise general awareness followed by information leaflets inserted into council tax mailings. For vulnerable customers, a number of different approaches worked: in some cases, very local events targeting specific communities resulted in high levels of sign up from within that community; in other instances, reliance on general marketing that used reassuring community action messaging, backed up by significant time investment in a local helpline service to respond to initial enquiries from vulnerable people, reached these people right across a local area.

Customers who found the switching process straightforward and did switch at the end of it were likely to recommend switching to other people.

**Fuel poverty** schemes delivered their target number of installations for vulnerable households and in most cases are happy that their targeting reached the right people. Householders were happy with the results of the interventions: all of the households interviewed said that they would now be more able to keep warm at home; one said that their home felt "immediately warmer". Three of those interviewed will be able to use their homes differently: one will be able

to sleep in her bedroom rather than the living room; another is reorganising rooms to combat problems with damp and mould that should not be as much of a problem now that the house is warmer. The third household will be able to use their boiler for hot water rather than their kettle. All of these householders would recommend heating improvements delivered through these schemes to others, which should support further activity in this area.

Schemes managed to persuade householders of the merits of external wall insulation, particularly where it would improve the appearance of the home (see Figure 10), and working with installers that took pride in the quality of the finished cladding added to the householders' positive experience.



**Figure 10: the visual benefits for some properties of External Wall Insulation**

**Green Deal** schemes promoted the potential and the principle of Green Deal with a number of effective messages linked to property improvement and the 'no risk' nature of a free Green Deal Assessment. The number of people signing up for assessments demonstrates that the schemes did raise awareness of the Green Deal and that the opportunity to improve energy efficiency was interesting to people.

One private landlord saw Green Deal as a great way for landlords to get their properties improved at no cost, and for tenants to get a better home at no additional cost. Another scheme reported a very positive response to the concept from SME builders who attended a workshop.

### 9.1.2 What didn't work

As noted previously, half of the schemes followed here mentioned issues with local authority procurement systems. In many cases, these were overcome or circumvented effectively. However, in at least five schemes, procurement issues reduced the cost effectiveness of delivery. For example, the use of an existing framework contract in one scheme resulted in the payment of additional fees to the contractor for the work to be sub-contracted to another company that could potentially have been contracted directly if there had been time to procure the contract separately. In another scheme, Green Deal Assessments were delivered by a local assessor sub-contracted through a large organisation that charged a significantly higher price for assessments than the local assessor would have done if contracted directly. Again, this direct contracting may have been possible if there had been more time to identify local companies.

**Collective switching** schemes did not produce the levels of conversion from sign up to switching that scheme managers had expected. This may simply be because the deals on offer were not 'good enough'. Equally, there may be lessons to learn about how to ensure that customers *can* progress from sign up to switching: where telephone contact was used as part of the process once deals were secured, this was found to increase the conversion rate significantly. This is a resource intensive option, and therefore more work is needed to look at when this sort of follow up is appropriate and what are the most cost-effective ways of delivering it.

The state of readiness of the **Green Deal** supply chain at the time the schemes were delivered limited the effectiveness of many of the Green Deal schemes because it caused a number of issues: difficulty finding advisors, delays in assessments, issues with the quality of some assessments, lack of explanation for the householder, and no-one willing to provide GD plans for those interested in going further. Also, Green Deal Advice Reports were often felt to be confusing and often appeared inconsistent with the accompanying EPC. The market has developed since the schemes were implemented, but there may be more work needed to ensure that barriers such as lack of understanding of GDARs are overcome.

### 9.1.3 Innovative approaches to solving policy problems

**Collective switching** schemes tested a number of alternatives for people without internet access, who might find commercial phone based options off-putting. The combination of phone and/or face to face help during the sign-up stage with telephone calls to discuss the offer and encourage switching was found by the schemes to be the most effective.

A number of **fuel poverty** schemes demonstrated the benefits of hand-holding at various points to help householders, including the most vulnerable, through the installation process. These schemes minimised drop-out rates and helped customers to deal with aspects of the process that were stressful, including selection of installers and preparing the home for the installations.

**Green Deal** schemes explored a range of messages that could be used to sell this rather complex concept to people. Effective elements included a focus on home improvement / additional comfort as the main message, with the 'no upfront (investment) cost' message of the Green Deal as a secondary element.

## 9.2 Remaining challenges

A challenge not overcome by **collective switching** schemes in this study was finding a way to get a better deal for prepayment meter customers. It may be that working directly with specialist providers that do not sell through third parties could be a good option here.

**Fuel poverty** scheme managers were beginning to think about how best to access ECO funding for their local area as the schemes were being implemented. However, they remain concerned about their ability to access ECO funding outside the social housing sector, and the schemes followed here have provided few insights to help address this.

**Green Deal** schemes could not test how to move people from GDAR to GD Plan, as this option was not generally available; also the interplay between Green Deal and ECO was not clearly understood or communicated and it was not clear how customers could tell whether or not a Green Deal provider has access to ECO funding.

## 9.3 Policy and practice learning

### 9.3.1 Cheaper Energy Together

**Policy:** The level of understanding of the energy market, amongst scheme managers and customers alike, needs to be higher if expectations about this sort of scheme are to be realistic. Collective switching schemes have not wielded sufficient market power to result in new tariffs from large energy suppliers, and people need to be aware of this.

Some more systematic support for off-line sign up and switching mechanisms for vulnerable consumers may be worthwhile, as these schemes have demonstrated some approaches that could be effective in encouraging these consumers to switch.

**Practice:** An appropriate marketing message for collective switching schemes may be more focused on testing the market to see if there is a better deal out there (as for individual switching) combined with the idea of a trusted intermediary looking out for the customer's interests.

Scheme design will be different if the aim is to engage smaller energy suppliers than if the aim is to engage large suppliers in offering good deals (for example the latter needs large numbers of customers, whilst the former may be put off by this).

Providing support to vulnerable households for switching is resource-intensive, and some scheme managers have suggested that this might best be provided as part of a broader package of energy advice to households.

### 9.3.2 Fuel Poverty

**Policy:** householders value a high degree of support throughout the process of a fuel poverty intervention, and including this support within scheme design can help to minimise drop-out rates. This has resource implications.

There will be households who are not eligible for the elements of ECO targeted at low income households/areas but may be considered to be in need of help because they are vulnerable or are facing real problems paying their energy bills despite not fitting into one of the proxies that are normally used to confirm eligibility. There will also be people in crisis for whom the ECO process will not deliver quickly enough. The schemes here have demonstrated a number of ways in which help and support can be combined or flexed to deliver support to these people; including when flexible around eligibility criteria (within the bounds of the guidance for the fund). Future policy design and delivery should look at the approach taken by these projects in such cases and the outcomes achieved. Similarly, policy makers should consider how best to target support to households who are vulnerable to the effects of living in a cold home.

Many of the selected schemes found that demand for heating measures was higher than for insulation, despite data analysis showing that a considerable number of homes would benefit from insulation measures. Assessment of the technical potential to deliver measures in certain types of housing is only one part of the story. The views of householders about the acceptability and desirability of measures need to be understood to enable future policy and scheme design.

**Practice:** all the methods of targeting used in the promotion of the fuel poverty schemes studied here worked in terms of delivering the target number of customers the schemes needed. However, the level of activity was at a very small scale compared to levels of fuel

poverty in the local areas covered and it is likely that, for larger scale schemes, targeting would have to be informed by a better knowledge of the distribution of fuel poverty across the local area. Community-led, household specific targeting may be most effective in areas where fuel poverty is pepper-potted throughout the local area, whereas area-based targeting using locally-held datasets may be most effective where fuel poverty is largely concentrated into specific small areas.

These schemes have demonstrated that installations can take account of householder preferences as well as the technical aspects of the home. Schemes have also found that elements of the process such as having to choose an installer and secure quotes can be quite stressful for customers: there may be implications from this for the design of local ECO schemes.

### 9.3.3 Green Deal

**Policy:** barriers to action in the private rented sector remain, but there was interest in the Green Deal amongst (larger) landlords. Work on overcoming these barriers (ensuring that the requirements of the Consumer Credit Act are clear; ensuring that the potential to use ECO on void properties is clear) would therefore be worthwhile.

If customers continue to have difficulty understanding Green Deal Advice Reports, this could be a barrier to uptake. Work is needed to ensure that explaining the report, and its relationship with the EPC for the property, is part of the assessment process.

**Practice:** understanding the aspirations of the target audience (home improvement, greater comfort, a greener lifestyle) and presenting the Green Deal as a means to achieving these ends was effective in building demand for Green Deal Assessments.

Working in the private rented sector remains a challenge: landlords' forums offer a potentially useful communication route, but these will only engage more proactive landlords. Focusing on landlords as the main target audience can work if the landlords have a good relationship with their tenants and are willing to explain the scheme to them; otherwise, both landlord and tenant need to be engaged directly.

### 9.3.4 Cross-theme learning

Many of the schemes studied here have used or generated a number of local datasets. As the use of these datasets becomes both more common and more complex, the IT skills required for scheme design and implementation will increase. Appropriate IT resources should be factored in to schemes. A number of schemes have demonstrated promising approaches to using datasets for targeting, including use of MOSAIC data and the layering of multiple datasets using GIS.

As energy schemes increasingly use newer technologies in buildings, the need to overcome customer doubts about these technologies will increase. A number of the schemes here have demonstrated the value of enabling people to see the new technologies: external wall insulation on a small number of homes in a local area can demonstrate the, sometimes very positive, aesthetic impact it has; when installing a novel heating system, setting up a demonstration property so that households can see what the system will look like in their home can help to overcome uncertainties.

Some scheme managers tackling issues that are new to them have found that looking to neighbouring authorities for help can be very effective: for example, one scheme used the

experience of, and methods used in, another authority to improve the way the planning department deals with applications for external wall insulation.

Many schemes expressed a desire to use local contractors in scheme delivery. One scheme is using a Social Value Contract with a major national installer: this ensures that local installers are employed on work funded by the council but at the same time the council benefits from the experience of the large company for activities such as negotiating with energy suppliers about ECO funding.

A number of scheme managers noted that these types of scheme can positively affect the local authority's relationship with its citizens, either simply by offering 'good news' stories or by exemplifying a move towards a more co-operative model of local governance.

### 9.3.5 Funding competitions

There is evidence that multiple schemes in one area raised the profile of energy efficiency, within councils and in the general public. Some councils were deterred from applying under multiple streams because of their staff resource constraints: a longer delivery window could perhaps overcome this and should be considered for future funding schemes.

Much has been learned from the diverse approaches adopted by the schemes studied here; this diversity could be encouraged in future competitions.

Schemes coped with the short timescale for delivery but there were many examples of inefficiencies that resulted. For example, schemes did not have time to test marketing materials or to book the most effective venues for outreach activities ahead of time; they were unable to prioritise amongst customers eligible for measures under the scheme. Decisions were often made on the basis of speed of implementation (especially with regard to procurement timelines) rather than on effectiveness. Giving schemes longer to plan and execute implementation will also allow them to time actions to better fit local conditions (e.g. avoiding bad weather or times when key partners will be too busy with other activities).

Some scheme managers are already talking about developing bids to sit "on the shelf" until future competitions are announced, so that they are able to move into action more quickly.

Scheme managers appreciated all the elements of flexibility that were included in this funding programme; it would be good if these flexibilities can be retained in future programmes.

There was significant interest from scheme managers and stakeholders in learning about and from the experiences of others. This report contains learning from only a small proportion of the schemes. Developing mechanisms through which the wider group of authorities could share experiences with their peers and with other potential delivery partners would be helpful.

Some schemes here have delivered despite severe constraints on local authority officer capacity – dissemination of the methods they have used to do this (e.g. through partnership working or the use of trusted delivery agents) might encourage more authorities to apply for funding.

# Acknowledgements

The team would like to thank all the scheme managers, stakeholders and scheme customers who gave their time to share their experiences with us. We have used our best efforts to reflect their views accurately and fairly in this report.



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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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