**Annex B:** Warm Homes: Social Housing Fund Wave 3 Evaluation Questions

The table below indicates evaluation questions and sub-questions for WH:SHF Wave 3. Individual questions may be subject to change as Wave 3 policy and delivery design develops. P denotes a process evaluation question, O an outcome evaluation question, and E an economic evaluation question. The final column indicates whether the question is a priority to be addressed by primary research, following consultation with policy and delivery teams and review of existing evidence.

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| **Evaluation Question** | | **Priority for primary research?** |
| 1 | **Application and launch**: How effective was the launch and application process for Wave 3? | |
| 1A | **Application process:** How (if at all) did the application processes for each funding model encourage social housing landlords to apply and increase their chances of success? | |
| 1.1 (P, O) | Strategic Partnerships are designed to appeal to social housing landlords by limiting monitoring and change control and offering greater flexibility. Does this offer sufficient motivation for mature social housing landlords to apply?   * How (if at all) is it more attractive for mature social housing landlords than:   + The Challenge Fund route?   + Previous competitions, for those who have bid into previous Waves? * Does the application process encourage applications from sufficiently mature social housing landlords, on a sufficient scale (3,000 to 6,000 homes)? | ü |
| 1.2 (P) | The Challenge Fund route offers a phased approach to delivery. Does this offer sufficient motivation for smaller social housing landlords to apply?   * How (if at all) is it more attractive than:   + The Strategic Partnership route?   + Previous competitions, for those who have previously bid into SHDF? * Has it increased the proportion of small/immature social housing landlords who apply as part of consortia? | ü |
| 1.3 (P) | How (if at all) does the Challenge Fund offer’s phased approach lead to better quality project proposals? | ü |
| 1.4  (P) | Unsuccessful applicants to the Strategic Partnerships route will be encouraged to automatically transfer their application into the Challenge Fund route. How successful was this process? | ü |
| 1.5 (P) | How (if at all) does the lack of minimum bid size for smaller social housing landlords (defined as those who own or manage fewer than 1,000 homes) support those who would not have applied to previous waves to access Wave 3 funding? | ü |
| 1.6 (E) | Prior to Wave 3, did social housing landlords have existing retrofit plans? If so, on what scale and how much (if at all) were these brought forward by the advent of Wave 3 funding? |  |
| **1B** | **Launch:** How effective was the marketing of Wave 3? | |
| 1.7 (P) | How effective was DESNZ’s and RISE’s pre-launch sector engagement and marketing of Wave 3 in successfully reaching and engaging social housing landlords? Including:   * Promotional activity, events, social media and newsletters * Awareness of RISE brand * Digital website and CRM | ü |
| **1C** | **Support:** How effective was Wave 3 support in enabling social housing landlords to make successful applications? | |
| 1.8 (P) | How effective was Wave 3 support and RISE in enabling social housing landlords to make successful funding applications/project proposals? Including in:   * Supporting applicants to form consortia to add value to bids. * Supporting applicants to develop appropriate, cost-effective plans for improving the energy efficiency of their stock in their bid. * Providing applicants with information and guidance needed to prepare effective bids. * Supporting applicants to develop sufficient stock understanding in order to prepare an accurate project proposal * Building organisational and sector capability * Roundtables   How did RISE support differ between Strategic Partnership and Challenge Fund applications? | ü |
| 1.9 (P) | How effective was RISE’s mobilisation support to grant recipients during the mobilisation and early delivery phases of Wave 3? Including:   * Building capability via tech support, learning and development, supply chain and stakeholder engagement |  |
| **2** | **Successful project delivery:** To what extent, and how, have Wave 3 projects delivered as intended? | |
| 2.1 (O, E) | Have individual Wave 3 projects delivered:  At the intended scale?  On time?  Cost effectively?  Installations of high quality?  Positive tenant experience of and satisfaction with the installation process?  As originally intended?  To planned spending profiles?  Why (not)? |  |
| 2.2 (O) | What variation has there been in project delivery between funding models in Wave 3? For example:   * Retrofit measure * Archetype * Tenure type * Region * Tenant profile |  |
| 2.3 (P, O, E) | What have been the critical success factors and barriers to effective and efficient delivery, and how do they a) differ, and b) lead to different outcomes, across the two funding models? Including in relation to:   * Tenant engagement (including those at risk of fuel poverty) * Approaches to procurement and supply chain management * Cost and risk management * Project team structures (e.g. consortia, types of lead landlords) * Regional spread of projects |  |
| 2.4 (P, O) | To what extent and how does the phased approach to delivery improve Challenge Fund project outcomes?   * How many phase requests do social housing landlords divide their projects into? * How do social housing landlords divide their projects into phases (e.g. locations, tenure types) and do phases reflect sensible delivery plans? * Does this approach result in fewer project change requests? * Does this approach create any additional benefits or challenges for social housing landlords? |  |
| 2.5 (E) | How much of the permitted 15% do social housing landlords spend on administration and ancillary (A&A) costs, what do these costs typically include, and does this vary across projects? |  |
| 2.6 (O) | To what extent, and how, have external factors influenced project success in Wave 3? For example:   * inflation/macroeconomic context * changes to regulatory landscape (e.g. SRS MEES) |  |
| 2.7 (O) | To what extent has the Delivery Partner fulfilled the requirements outlined in the Invitation to Tender?   * To what extent are grant recipients satisfied with services provided by the Delivery Partner? * To what extent are DESNZ satisfied with services provided by the Delivery Partner? * What are the impacts (if any) of aligning processes with the Warm Homes: Local Grant programme? * What (if any) implications have the new delivery model (‘DP 2’) had for Wave 3’s delivery and outcomes? * How effective was the handover of responsibilities to the Delivery Partner? |  |
| **3** | **Measures and policy design:** To what extent, and how, have Wave 3 policy designs encouraged social housing landlords to target the properties most in need of retrofit, with appropriate measures? | |
| **3A** | **Measures installed:** To what extent have Wave 3’s requirements improved the targeting of measures and value for money? | |
| 3.1 (O, E) | Wave 3 policy has the following requirements for prioritisation of measures and/or properties. How do social housing landlords respond to these policies and to what extent (if at all) have these led to a) improved targeting of measures (including treatment of the hardest to treat properties), and b) value for money?   * Single cost cap structure * Target performance outcome of EPC C * Overall bid cap on non-social homes and removal of owner/occupier contribution requirement * Expansion of criteria for the inclusion of EPC C+ homes to support infill, the installation of low carbon heat or an area-based approach * 50% co-funding requirement * Are social housing landlords more likely to install measures in a single property until it reaches EPC C or until they reach the cost cap limit, where these differ substantially? * How many homes that were treated in the Demonstrator or Wave 1 were revisited for Wave 3, and with which measures? | ü |
| 3.2 (P, O) | To what extent (if at all) has Wave 3 facilitated additional clean heat installations, via the off-gas grid cost cap uplift and optional on-gas grid incentive?   * What are the barriers for social housing landlords to installing clean heat measures on and off the gas grid? * To what extent (if at all) has Wave 3 delivered successful examples of on-gas grid clean heat installations? * Is the £20k on-gas grid incentive sufficient or are social housing landlords who take this up required to contribute additional co-funding to maintain bill parity for households? * Does this vary by region or any other project characteristics? * When using low carbon heating incentives, do social housing landlords install measures until the property reaches EPC D (or if the property started at EPC D, its starting SAP score)? Do final SAP scores for these households differ from those who did not use the low carbon heating incentives? | ü |
| 3.3 (O) | Have Wave 3’s policy designs resulted in any unintended positive or negative outcomes? (e.g. has the low carbon heating incentive driven positive market externalities?) |  |
| **3B** | **Clean heat:** To what extent do clean heat measures improve energy affordability and reduce the risk of fuel poverty for social housing tenants? | |
| 3.4 (O) | What is the minimum level of building fabric required for low carbon heating installations not to increase, or to reduce, tenants’ bills? |  |
| 3.5 (O) | To what extent do properties receiving low carbon heating without fabric measures achieve sufficient energy bill savings to take fuel poor residents out of fuel poverty?   * How (if at all) does this differ across archetypes? * How (if at all) is this influenced by seasonal or behavioural factors? |  |
| 3.6 (O) | To what extent do residents who receive low carbon heating measures achieve same level of benefits as those who receive fabric measures? For example:   * Bill savings * Thermal comfort * Reduced damp/mould |  |
| **4** | **Achieving scale**: To what extent, and how, has the design of Wave 3 and its funding models supported successful delivery at scale and value for money? | |
| 4.1 (P, E) | To what extent and how (if at all) do reduced administrative burden and constraints on Strategic Partners lead to relative cost reductions and time savings (and consequentially, scale) on these projects? Particularly in relation to:   * Change control requirements * Reporting and monitoring requirements | ü |
| 4.2 (O) | Strategic Partners are required to demonstrate progress against one or more of Wave 3’s strategic priorities (delivery at scale; low carbon heating; preparing for the future scale-up of retrofit; innovation).   * How did Strategic Partners deliver against each strategic priority and to what extent did this align with the plan set out at application stage? * To what extent and how did each strategic priority improve project delivery? |  |
| 4.3 (O, E) | Wave 3 has longer delivery windows than in previous waves (42 months). To what extent do these support projects to achieve scale? Including:   * Cost-effective delivery * Timely/efficient delivery |  |
| 4.4 (P) | There is the possibility for grant recipients to be considered for transfer between funding routes. If implemented, how successful was this process for a) grant recipients, and b) DESNZ? |  |
| 4.5 (E) | To what extent, and how, has Wave 3 contributed to greater value for money for DESNZ, social housing landlords, and the retrofit sector?   * How does this compare across funding models? * How does this compare to previous waves? * Is the cost of retrofit compatible with large-scale rollout? | ü |
| **5** | **Long-term readiness:** To what extent, and how, has Wave 3 prepared social housing landlords, the retrofit sector and DESNZ for post-2030 retrofit and decarbonisation? | |
| 5.1 (O, E) | To what extent has Wave 3 developed DESNZ’s understanding of the most efficient, effective and cost-effective funding, delivery and oversight models? | ü |
| 5.2 (O, E) | Has Wave 3 developed social housing landlords’ understanding of the optimal commercial arrangements (including innovative procurement processes) for delivering retrofit at scale? | ü |
| 5.3 (O, E) | To what extent has Wave 3 encouraged further investment in retrofit/the retrofit sector? For example:   * Via the 30% overall bid cap on non-social homes * Via the 10% bid cap on EPC C+ homes, where these homes can be included to support infill, low carbon heating installation or an area-based approach * Via the minimum 50% co-funding required from social housing landlords * Private financing * Additional non Wave 3-funded retrofit projects * Skills development in the supply chain | ü |
| 5.4 (O, E) | To what extent has Wave 3 implementation and delivery generated spillover benefits to other tenures and sectors? For example:   * RISE providing scheme-agnostic support and guidance for anyone seeking to retrofit * Strengthening the supply chain via investment in social housing retrofit, to the benefit of others (e.g. private rentals sector, homeowners) seeking to use the retrofit supply chain * Supporting area-based regeneration | ü |
| 5.5 (O, E) | To what extent has the installation of energy performance measures prepared the fabric of social homes so that it is suitable for future clean heat installations (thereby potentially delivering further energy and carbon savings)?   * How does this compare across waves? | ü |
| **5A** | **Social housing landlord capability and capacity:** to what extent has Wave 3 developed the capability and capacity of social housing landlords to deliver large scale retrofit projects? | |
| 5.6 (P) | To what extent and how (if at all) does the Strategic Partnership model support social housing landlords to strengthen their own internal systems and processes for delivering large retrofit projects? For example:   * quality of data returns * project governance systems * planning systems * ways of working | ü |
| 5.7 (P) | To what extent and how does the Challenge Fund route, including the lack of minimum bid size for smaller social housing landlords, build smaller/less mature social housing landlords’ capacity and capability to deliver retrofit? | ü |
| 5.8 (E) | To what extent and how have social housing landlords implemented cost avoidance strategies, based on lessons learned from previous SHDF waves and/or other retrofit experience?   * What role (if any) does retrofit innovation play in cost avoidance? |  |
| **6** | **Environmental and cost benefits:** How effectively has Wave 3 delivered energy, carbon and bill savings? \*  *\* Note that these evaluation questions will be answered using research and analysis by DESNZ, not the evaluation partner. They will be answered using analysis of the NEED Framework.* | |
| 6.1 (O) | How many social homes have had upgraded EPCs, including specifically to EPC C, due to installation of energy performance measures in Wave 3? |  |
| 6.2 (O) | What energy savings have been generated by the installation of energy efficiency measures in Wave 3? |  |
| 6.3 (O) | To what extent has the installation of energy performance measures in Wave 3 delivered a reduction in fuel bills?   * To what extent has any reduction in fuel bills lifted residents out of fuel poverty? |  |
| 6.4 (O) | What carbon emission reductions has the installation of energy performance measures in Wave 3 delivered?   * What role has the installation of clean heat measures played in this? |  |
| 6.5 (O) | How have these impacts varied by building archetype and/or measure mix? |  |