Verian Group UK Limited,
4 Millbank
London,
SW1P 3JA

Attn: [redacted]

By email to: [redacted]

Wednesday, 13th November 2024

Our ref: PS24256

Dear [redacted]

Behavioural Science Call-off Framework - RAF067/2324

PS24030

Award of contract for the supply of - Understanding secondary heating behaviors.

Thank you for submitting a response for PS24256 - Understanding secondary heating behaviours through PS24030 – Behavioural Science Call-off Framework - RAF067/2324 we are pleased to award this contract to you.

This letter and its Schedule(s) set out the terms of the Contract between:

(1) **Department for Energy Security and Net Zero**, a statutory corporation whose registered office is at 3-8 Whitehall Place, London, SW1A 2EG ("DESNZ"); and

(2) **Verian Group UK Limited**, with company number 13663077 whose registered office is at 4 Millbank London SW1P 3JA

Unless the context otherwise requires, capitalised expressions used in this Award Letter have the same meanings as in the terms and conditions of contract PS24030 – Behavioural Science Call-off Framework - RAF067/2324 set out in Schedule 5 to this Award Letter.

For the purposes of the Contract, DESNZ and the Supplier agree as follows:

Term

1 Commencement Date: Wednesday, 13th November 2024

2 Expiry Date: Monday, 31st March 2025

3 DESNZ may extend this Contract by giving not less than 30 days' notice in writing to the Supplier prior to the Expiry Date. The terms and conditions of this Contract shall apply throughout any such extended period.

Description of Goods and/or Services

4 The Specification of the Services to be delivered is as set out in Schedule 11.

5 The Suppliers response is set out in Schedule 3

Charges & Payment

6 The Charges for the Services shall be as set out in Schedule 22.

7 All invoices should be sent, quoting a valid purchase order number, to: [redacted]

Processing Personal Data

8 As set out in Processing Personal Data – Schedule 4

To avoid delay in payment it is important that the invoice is compliant and that it includes a valid PO Number, PO Number item number (if applicable). Non-compliant invoices will be sent back to you, which may lead to a delay in payment. If you have a query regarding an outstanding payment, please contact our Accounts Payable section by email to [redacted]

We thank you for your co-operation to date and look forward to forging a successful working relationship resulting in a smooth and successful supply of the Services. Please confirm your acceptance of the award of this contract by signing and returning the enclosed copy of this letter to [redacted] No other form of acknowledgement will be accepted. Please remember to quote the reference number above in any future communications relating to this contract.

Yours faithfully,

[redacted]

UK Shared Business Services Limited

On behalf of, Department for Energy Security and Net Zero

We accept the terms set out in this Award Letter and the Schedule(s).

Schedule 1 - Specification

1 The Suppliers shall provide the Services in accordance with this Schedule

1. Background to the Requirement

Reaching Net Zero by 2050 will require significant changes to how households heat their homes, as captured in the previous government's Heat and Buildings Strategy[1]. Although the focus is largely on how to transition them away from their primary source of fossil fuel heating, we know that some households also rely on secondary forms of heating, such as electric heaters or gas fires. These require further investigation to understand how to minimise potential burden on the electricity grid and transition away from fossil fuel-based secondary heating.

Electric forms of secondary heating may also be an issue given that reaching Net Zero will require a significant increase in electricity use due to the transition to technologies like heat pumps and electric vehicles. It is therefore important to reduce electricity demand where possible.

Several studies have sought to estimate the prevalence of secondary heating, including the Energy Follow Up Survey[2] (EFUS), undertaken in 2011 and 2017. The EFUS conducted in 2017 found that 39% of households used supplementary heating, a decrease from the 48% of households reported in 2011. Recent analysis of Smart Energy Research Lab (SERL) household survey found a similar prevalence estimate to the EFUS 2017 findings, with 35.5% of respondents reporting use of secondary heating.

Further analysis of the EFUS 2017 was undertaken to explore patterns and behaviours associated with secondary heating use. The analysis found:

- 81% of households used supplementary heating in one room, with the living room being the most common room (82%).
- Among those who used secondary heating in the living room, 34% used gas heaters, 33% use electric heaters and 33% used solid fuel fires.
- Households most likely to use secondary heating included: those with at least one pensioner in the home, under occupied homes, households in rural areas, and households with non-metered fuel. Those in detached houses were most likely to use secondary heating than all other dwelling types.
- The main reasons given for using supplementary heating were: to heat the room being used rather than the whole house (46%); we like the look and feel of it (41%); and the main heating is not able to make the room warm enough (31%).

While the SERL findings found some similarities with the EFUS analysis in relation to those most likely to use secondary heating, there were also some differences. For instance, the presence of secondary heating was found to be overrepresented in bungalows in the SERL analysis. There was also found to be a greater presence of secondary heating in social rented properties compared to other dwelling types, such as owner-occupied housing. Finally, unlike the EFUS findings, the SERL analysis found that occupancy does not influence the presence of secondary heating.

While there is evidence to demonstrate the prevalence of secondary heating, and the characteristics of households where this is most common, there is limited evidence on what is driving secondary heating behaviours and the factors that might influence a reduction in their use. This project aims to understand the factors that drive secondary heating (amongst households without a heat pump) and what might reduce its use, as well as whether the introduction of a heat pump would change households' use of secondary heating. Findings

[1] https://www.gov.uk/government/publications/heat-and-buildings-strategy
[2] https://www.gov.uk/government/publications/energy-follow-up-survey-efus-2017-reports

from this research will feed into the following policy areas: (i) decarbonising home heating - the use of fossil fuel-based secondary heating, and how to mitigate its use, are key to achieving a reduction in greenhouse gas emissions from home heating; (ii) managing (and reducing) electricity demand - with a transition toward low carbon primary heating systems in homes (e.g. via the deployment of heat pumps), this project seeks to better understand what impact potential adoption of low carbon heating sources may have on secondary heating use, and the subsequent impact on electricity demand. In particular the findings will feed into our modelling assumptions of heating demands in a highly electrified system.

2. Research aims and questions

This project aims to address this identified evidence gap by exploring the behaviours UK households adopt relating to secondary heating and the reasons underlying these behaviours. Furthermore, the project aims to explore how the low-carbon heating transition (i.e. the switch to a heat pump for home heating) might affect household secondary heating use.

The specific research questions are:

1.What factors encourage the use of secondary heating[3]? (e.g. inefficient primary heating, cost, comfort, convenience, aesthetics[4]).

2.Under what circumstances and how often do UK households use a given type of secondary heating?

a. How is secondary heating used over a heating season? (e.g. throughout the year, when extremely cold, or in shoulder months[5] (i.e. March, April, September, October, November) in lieu of primary heating).
b. Are there certain rooms/spaces which are heated using secondary heating more often, and why?

3. What are the factors that affect households' likelihood of[6]:

a. Switching to a different type of secondary heating e.g. factors that enable or prevent switching from fossil fuel-based (e.g. gas fire) to low-carbon (e.g. electric) secondary heating?
b. Stopping or reducing their use of secondary heating altogether?

4. How (if at all) would switching to a different type of primary heating (e.g. heat pump) change households' use of secondary heating?

a. Does secondary heating use have an influence on households' interest in / willingness to switching their primary heating system to a heat pump?

3. Suggested approach

Qualitative in-depth interviews are likely to be the most appropriate method as it allows for in-depth exploration of participant responses and for participants to provide a rich and detailed account of their heating preferences and behaviours. In-depth interviews would also provide the opportunity for researchers to explain and provide information on the implications of new technologies (i.e. heat pumps) on home heating (i.e. constant heat), to help gauge reactions on how this might influence their secondary heating behaviours. This would help answer RQ 4.

[3] E.g. gas fires (inset/freestanding), electric heaters (fan/convection), oil-filled radiators, wood-burning stoves, solid fuel fires.
[4] Data collected for research question 1 to be analysed using the COM-B behavioural model.
[5] The months just before and after the coldest months of the year.
[6] Data collected for research question 3 to be analysed using the COM-B model.

We expect the study to involve 50-60 in-depth 60-minute online interviews with households identified as using secondary heating in the UK. However, we also welcome proposals for the use of alternative qualitative methods. The proposed sample size reflects that there is a wide range and diversity amongst the groups known to use secondary heating which need capturing in this study in order for meaningful sub-group analysis to be achieved.

Range and diversity across the below groups would be sought, with specific focus on the groups known to demonstrate a higher prevalence of secondary heating.

Primary criteria (for which quotas will be set to ensure range and diversity is achieved):

- Owner occupiers, social housing tenants and private rented sector tenants.
- Cover the full range of primary heating source types (gas, oil, LPG, coal, direct electric).
- A range of secondary heating appliances (gas/electric/wood fires, portable heaters, electric blanket).
- Property type (detached, terraced, flat, bungalow etc.).
- Reason for secondary heating use (comfort, aesthetic inefficient primary heating).

Secondary criteria (which will be monitored but no specific quotas will be set):

- Range of occasional and regular secondary heating source users.
- A range of socio-demographic characteristics, such as income, age, ethnicity, number of occupants.

There is no existing sample frame to recruit participants known to use secondary heating The supplier would need to identify an appropriate way of selecting and recruiting participants. For example, the use of free flow recruitment or making use of an existing panel to recruit from. A clear and concise screener would need developing to help establish eligible participants. This would include questions about secondary heating behaviours and the primary characteristics of interest described above.

We expect the contractor to use a topic guide, which will be agreed upon with us in advance of the interviews. This guide should ensure that key themes are covered, including: (i) current secondary heating practices – frequency and type of secondary heating use; (ii) factors underlying secondary heating use; (iii) factors that may prevent secondary heating use; and (iv) how and why switching to a low carbon primary heating source (e.g. heat pump) household may affect their secondary heating use. Additionally, a portion of the interview should involve the researcher providing participants with clear information on how a heat pump works in practice to help elicit a response on whether and how this might change secondary heating use. We welcome the supplier's input on whether to share this information with participants before the interview or incorporate it directly within the interview itself, based on an analysis of the associated benefits of each approach. We will work with the contractor to develop the topic guide and any materials outlining how heat pumps work, to ensure they are accurate and accessible to participants.

We expect the findings from research questions 1 (using secondary heating) and 3 (switching, reducing, or stopping secondary heating use) to be analysed thematically using the COM-B model. The COM-B model is designed to understand the factors influencing behaviour by examining three core components: (i) Capability – e.g. are there knowledge/skills gaps that favour (or limit) the use of secondary heating over a household's primary heating system?); (ii) Opportunity – e.g. what material and social factors may be facilitating secondary heating use? (iii) Motivation – e.g. what motivational factors (cost savings, preferences for aspects of secondary heating) shape the use of secondary heating? We anticipate the supplier using findings from the COM-B analysis and insights from the behavioural science literature to generate a suite of up to 5 policy recommendations. We expect these policy recommendations to be included in the final presentation, but not in the written report. We expect the findings from research questions 2, 4, and 5 to be analysed using standard thematic analysis.

4. Rationale for commissioning route

This framework is best suited to commissioning this research for the following reasons:

- Our collaboration with an external contractor under the behavioural framework will bring valuable behavioural expertise to the project. Contractors under the framework specialise in conducting behavioural science research and analysis, making them well equipped to: (1) understand the views and behaviours of households vis-à-vis their use of secondary heating; and (2) identify key implications for policy. Therefore, commissioning this work via the framework will help to ensure a high-quality deliverable.
- DESNZ will be able to deliver the research at pace: Commissioning via the framework will reduce delivery timelines and ensure that findings can inform policy delivery in a timely manner.

Lot 2 (strand 1) is best suited to commissioning this research project since it involves using primary (qualitative) research to generate evidence about how people think, feel and behave to feed into policy development and generate solutions to behavioural issues. We have opted for a direct award, since this requirement employs a straightforward methodology and will cost [redacted]

5. Desired outputs

Main outputs include:

1) Topic guide.
   - Three rounds of DESNZ review prior to sign-off

2) Update of emerging findings mid-way through the fieldwork stage.

3) A final presentation (a slide pack of key findings presented to the department);
   - Two rounds of DESNZ review
   - Using PowerPoint (a one-hour hour session, including time for the presentation and Q&A)
   - A summary of key findings from the study and policy recommendations

4) A report detailing the findings from the primary research written to a publishable standard.
   - 30 pages in length
   - In Word and PDF version
   - At least three rounds of DESNZ review (each draft to be proofread by the supplier)
   - With accessibility standards applied
   - Preceded by a report outline, including section structure and a brief description of key points that will be included in each section.
   - Findings section(s) to include household personas/vignettes, i.e. fictional profiles of individuals with their behavioural drivers and barriers identified (in particular, to address research questions 1 to 3).

   A technical annex, appended to the main report, with details of the method employed to deliver the research.

6. Ethical and delivery risks

Ethical considerations:

- GDPR: UK GDPR will need to be complied with throughout. The GDPR Annex A checklist will be completed and signed off by the DPO to ensure that the project is compliant. Participants will have the opportunity to withdraw from the research at any point and will be informed how and why their data is being used prior to taking part in this research. Participant data will be anonymised in all presented and/or published work.
- Extra care and consideration should be given in the development of a recruitment strategy and topic guide materials when for certain secondary heating users (for example, if certain users do so for financial reasons, which may have an impact on the willingness and ability of such users to participate in this research project).

Delivery risks are as follows:

- Timelines: We recognise that this project (with an end date of March 2025) is working to a short time frame for the specified research, as well as analysis and reporting. With this in mind, we invite the bidder to consider mitigation measures to reduce this risk. We anticipate such measures could include: (i) starting interview recruitment as soon as possible; (ii) the use of iterative report drafting.

  Achieving required sample size and the range and diversity within the criteria of interest in the absence of a sample frame: There is no existing sample frame to recruit participants known to use secondary heating. Therefore, the supplier will have to identify an appropriate way to identify and recruit relevant participants. We anticipate that any recruitment activity will involve the use of a screening questionnaire to identify the range of participants and the different characteristics of interest. This poses risks in terms of recruiting the target sample size (50-60 interview participants) and achieving range and diversity within a relatively short project timeframe. We invite the bidder to consider mitigation measures to reduce this risk. This could include identifying recruitment methods, along with their related pros and cons, and agreeing on a suitable recruitment strategy with DESNZ, early on in the project.

7. Project management

The supplier will be expected to:

- Create a Project Initiation Document that details, in particular, the recruitment method and sampling strategy to adopt for the in-depth interviews.
- Partake in weekly project catch-up meetings during the contract period.
- Email project updates to DESNZ weekly prior to the weekly catch-up.
- Summarise weekly actions and next steps via an email following weekly catchups.
- Develop a risk log with the contractor.
- Develop an invoicing schedule with the contractor.

  Develop a project timeline tracker/Gannt Chart with the contractor.

8. Timetable

The outputs for this project will need to be delivered by the end of March 2025.

Approximate timeline:

- Commissioning & procurement: November 2024.
- Project kick-off: W/C 11th November 2024.
- Data collection: Nov to January/February 2025.
  Analysis and Reporting: February to March 2025.

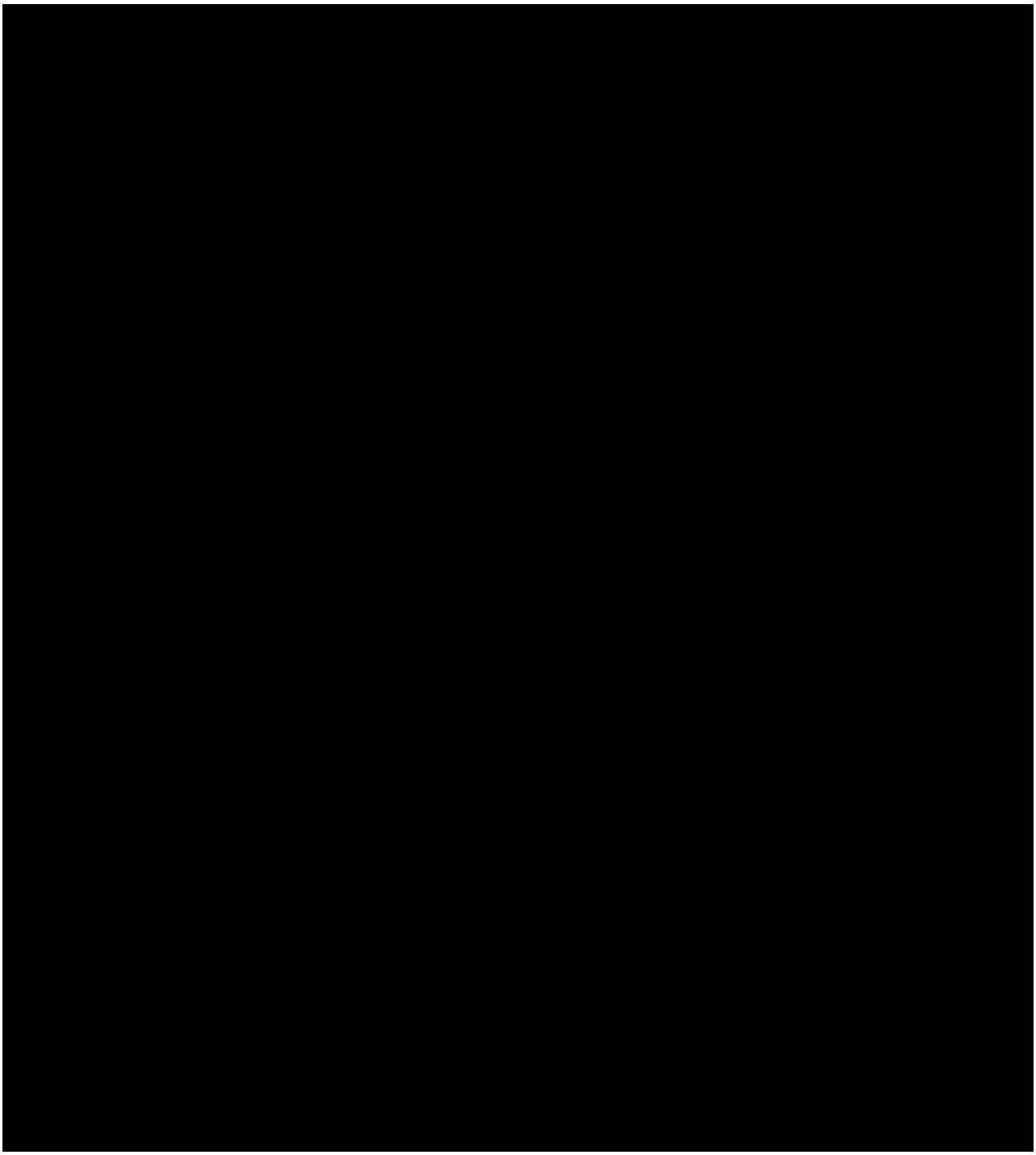
Schedule 2 - Charges

1 The Charges for the Services shall be as set out in this Schedule 2. The total contract is £64,822.00 excluding VAT.

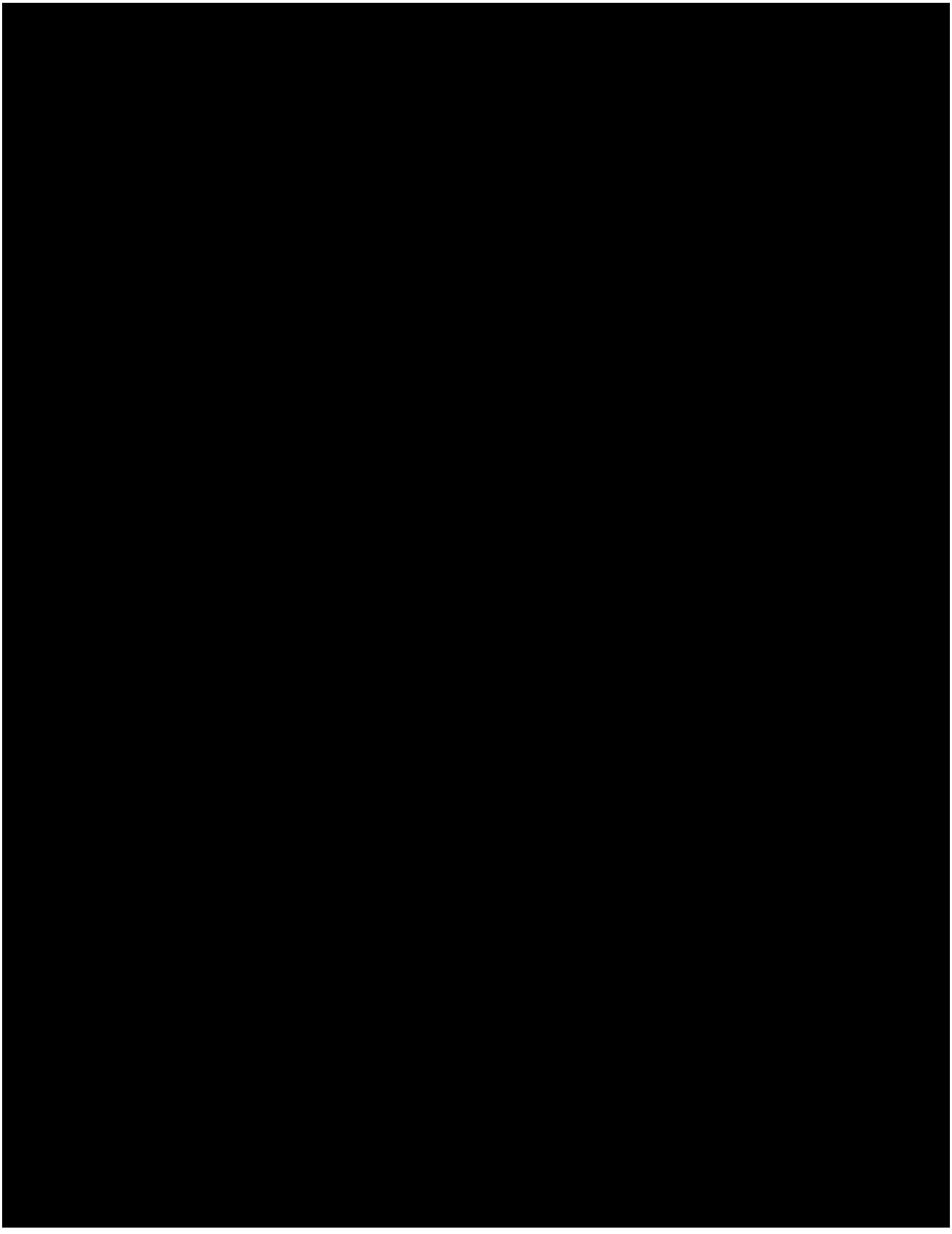
2 Costs

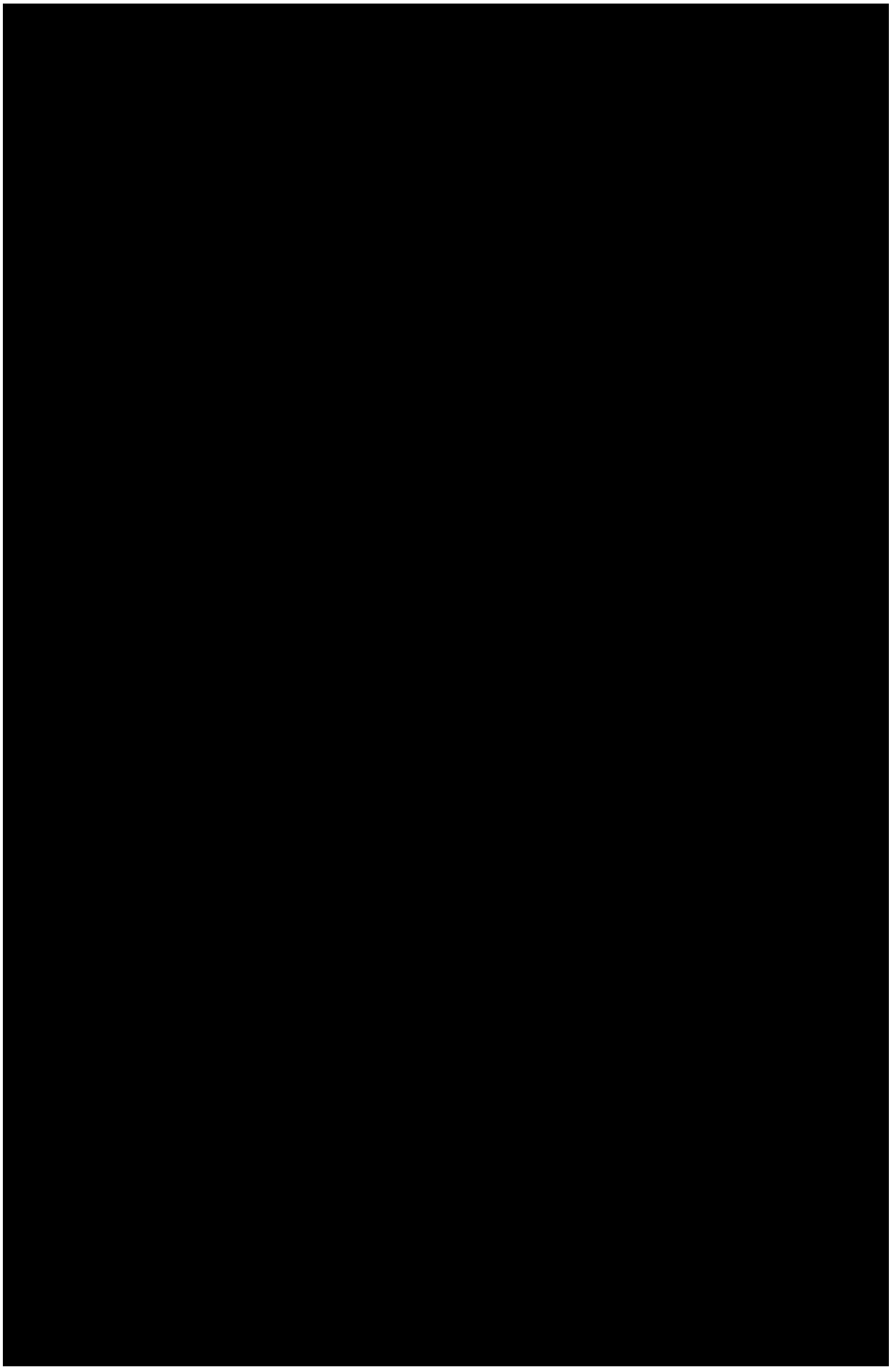
Costs for the work as proposed here would be **£64,822** excluding VAT. This represents a staffing cost of £48,248 and direct costs of £16,574. Please see the full breakdown below.

Invoicing schedule to be determined at inception.



Schedule 3 - Suppliers Response





Schedule 4 - Processing Personal Data

Annex 1 - Processing Personal Data

1. This Annex shall be completed by the Controller, who may take account of the view of the Processor, however the final decision as to the content of this Annex shall be with the Buyer at its absolute discretion.

1.1 The contact details of the Buyer's Data Protection Officer are:
DESNZ Data Protection Officer
Department for Energy Security and Net Zero
1 Victoria Street
London
SW1H 0ET

[redacted]

1.2 The contact details of the Supplier's Data Protection Officer are
[redacted]

[redacted]

1.3 The Processor shall comply with any further written instructions with respect to Processing by the Controller.

1.4 Any such further instructions shall be incorporated into this Annex.

Description	Details
Subject matter of the processing	This project will process qualitative responses from households about their use of secondary heating and the reasons underlying this use. The processing of names and business contact details of staff of both Contracting Authority and Contractor will be necessary to deliver the services exchanged during the course of the Contract, and to undertake Contract and performance management. The Contract itself will include the names and business contact details of staff of both the Contracting Authority and the Contractor involved in managing the Contract. The Supplier will need to confirm that they are UK GDPR or GDPR (if operating in the EEA) compliant when submitting a bid.
Duration of the processing	The data will be collected and processed between November 2024 and February 2025.

Nature and purposes of the processing	The nature of the processing: collection, storage, and analysis. Data will be collected via online/video calls with relevant households. The raw data will be stored and analysed by the Supplier. The supplier will produce a non-disclosive summary report based on this analysis. The purpose of the processing is: to generate evidence to inform policy delivery related to decarbonising home heating and managing (and reducing) electricity demand). The nature of processing will include the storage and use of names and business contact details of staff of both the Contracting Authority and the Supplier as necessary to deliver the services and to undertake the Contract and performance management. The Contract itself will include the names and business contact details of staff of both the Contracting Authority and the Supplier involved in managing the Contract.
Type of Personal Data	**Sociodemographic characteristics:** A range of characteristics including tenure type, geographical spread, use of different secondary heating sources. **Attitudes, behaviours, choices:** Responses to interview questions relating to the use of secondary heating by households in the UK. Names, business telephone numbers and email addresses, office location and position of staff of both the Contracting Authority and the Supplier as necessary to deliver the services and to undertake the Contract and performance management. The Contract itself will include the names and business contact details of staff of both the Contracting Authority and the Supplier involved in managing the Contract.
Categories of Data Subject	Households in the UK that use secondary heating in their homes. Participants will include: 1) Primary criteria: • Owner occupiers, social housing tenants and private rented sector tenants. • Covering the full range of primary heating source types (gas, oil, LPG, coal, direct electric). • A range of secondary heating appliances (gas/electric/wood fires, portable heaters, electric blanket). • Property types (detached, terraced, flat, bungalow etc.).

	2) Secondary criteria: • Range of occasional and regular secondary heating source users. • A range of socio-demographic characteristics, such as income, age, ethnicity, number of occupants.
Plan for return and destruction of the data once the processing is complete UNLESS requirement under union or member state law to preserve that type of data	The supplier should delete the Personal Data and erase the Personal Data from any computers, storage devices and storage media that are to be retained by the Supplier after the expiry of the Contract. The Supplier will certify to the Contracting Authority that it has completed such deletion. Where Personal Data is contained within the Contract documentation, this will be retained in line with the Department's privacy notice found within the Procurement Documents.