Appendix E: Completed Commissioning Letter

Verian (Formerly Kantar Public)
4 Millbank
Westminster
London
SW1P 3JA

31 January 2024

Dea[redacted]

PS21172 – Energy and Climate Change Behavioural Science Framework -
Improving the energy efficiency of owner-occupied homes in the UK:qualitative research

Thank you for your response to the Specification for the above Commission The Department for Energy Security and Net Zero (DESNZ) (the Customer) through PS21172 – Energy and Climate Change Behavioural Science Framework dated 19 January 2024 between (1) Department for Business, Energy and Industrial Strategy (BEIS); and (2) Verian (formerly Kantar Public) (the Framework Agreement).

Annexes:
A. Tender dated 19 January 2024
B. Specification for PS24020 - Improving the energy efficiency of owner-occupied homes in the UK:qualitative research

The Department for Energy Security and Net Zero (DESNZ) accepts your Tender from Appendix B – Call off Quote Template (Annex B), submitted in response to our Specification (Annex A).

The Call–Off Terms and Conditions applicable to this contract are those set out in PS21172 – S3 – Services Purchasing Contact to the Framework.

The agreed total charges are £69,493.00 exclusive of VAT which should be added at the prevailing rate. The agreed invoice schedule is as follows:

OFFICIAL-SENSITIVE (COMMERCIAL)

[redacted]

You are reminded that any Customer Intellectual Property Rights provided in order to perform the Services will remain the property of the Customer. Please refer to Annex A and Annex B for the deliverables that have been agreed:

The Services Commencement Date is 31 January 2024.

The Completion date is 31 July 2024.

The Contract may be terminated for convenience by giving 30 days notice in accordance with clause A3-8 of the PS21172 – S3 – Services Purchasing Contract, Call-off Terms and Conditions.

Your invoice(s) for this work must include the following information:
Commission number: PS24020 - Improving the energy efficiency of owner-occupied homes in the UK:qualitative research.

Where GDPR applies, The Supplier shall only process in accordance with the instructions as advised in Appendix C and comply with any further written instructions with respect to processing by the Contracting Authority.

[redacted]

Congratulations on your success in being selected to undertake this Commission.

Yours sincerely

Kind regards

[redacted]

UK SBS, Polaris House, North Star Avenue, Swindon, SN2 1FF

OFFICIAL-SENSITIVE (COMMERCIAL)

BY SIGNING AND RETURNING THIS COMMISSIONING LETTER THE SERVICE PROVIDER AGREES to enter a legally binding contract with the Customer to provide to the Customer the Services specified in this Commissioning Letter and Annexes incorporating the rights and obligations in the Call-off Terms and Conditions set out in the Framework Agreement.

Annex A

Timescales

The timescales of this Project are:

Start date:	January 2024
End date:	July 2024

Please confirm that you are able to complete by the timescales detailed above: **Yes / No (Please delete as appropriate (guidance below))**

Please note that the timescales for completion are mandatory, should you be unable to complete by the end date, we will be unable to award this project to you and will move to the next ranked Supplier on the Framework.

Price

Please confirm your Firm and Fixed price for completion of this project (you are required to ensure that your rates do not exceed the maximum rates submitted for the Framework)

N.B. This should include all costs relating to the projects as well as Travel, Subsistence and Overhead costs (For clarity, only the figure quoted will be accepted as firm and final):

Firm and Fixed Price:	**£ 69,493**

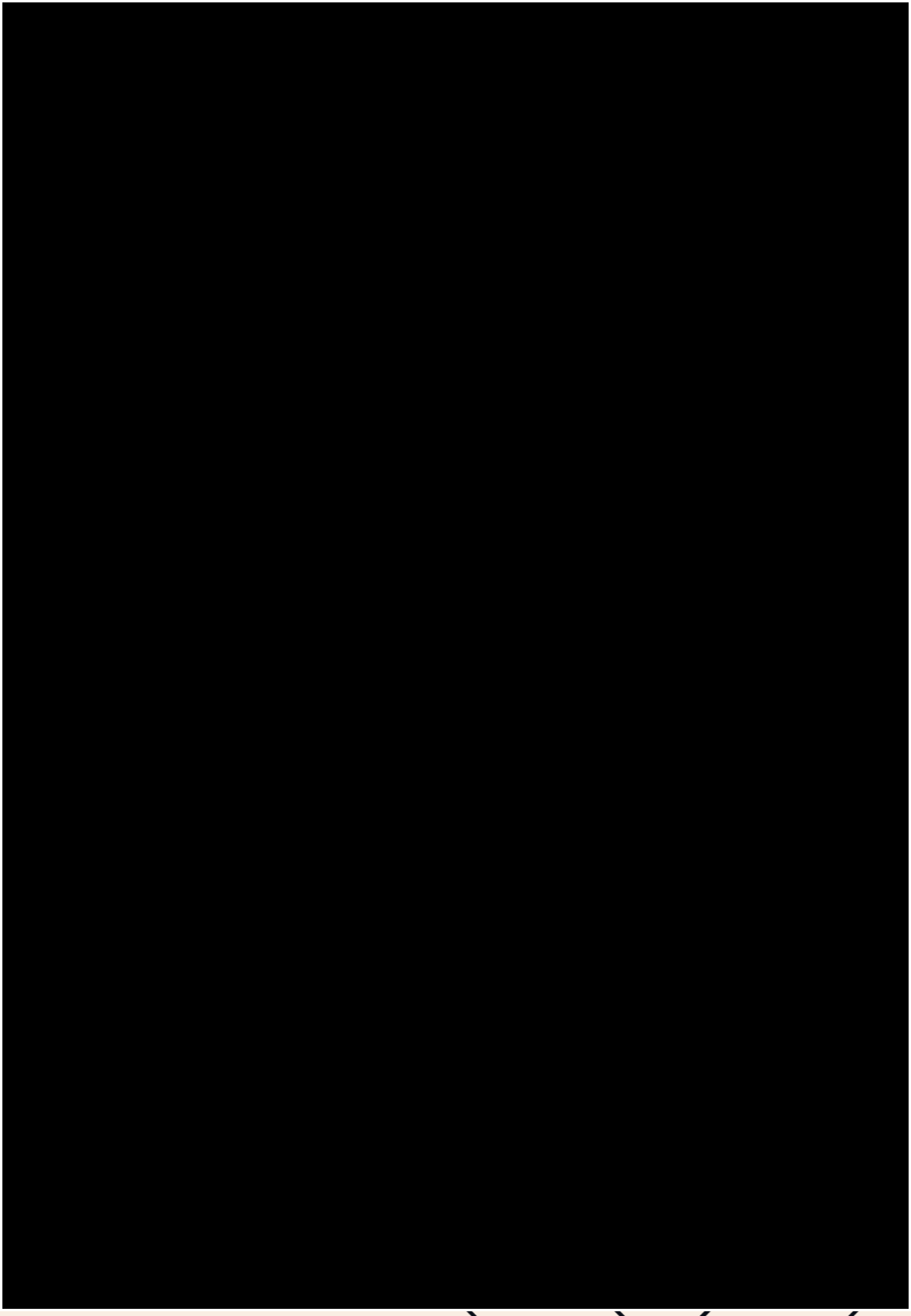
Please confirm that in addition to providing your firm and fixed price above, that you have also attached a breakdown of the Staff to deliver, hours and rates applicable (so these can be cross referenced with the Framework rates).

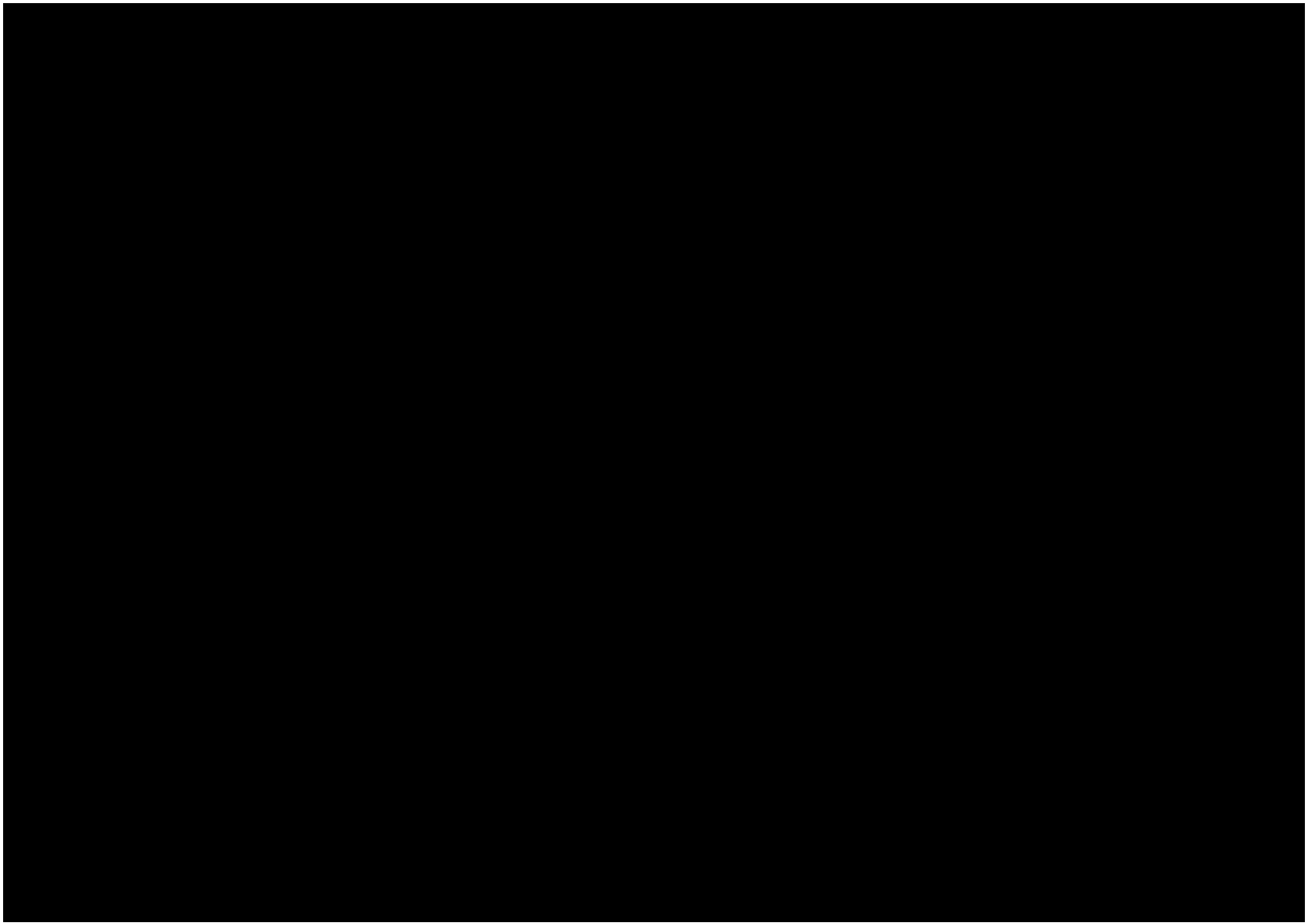
Breakdown of staff to deliver, hours and rates provided with quotation response:	**Yes – Please complete the below table**

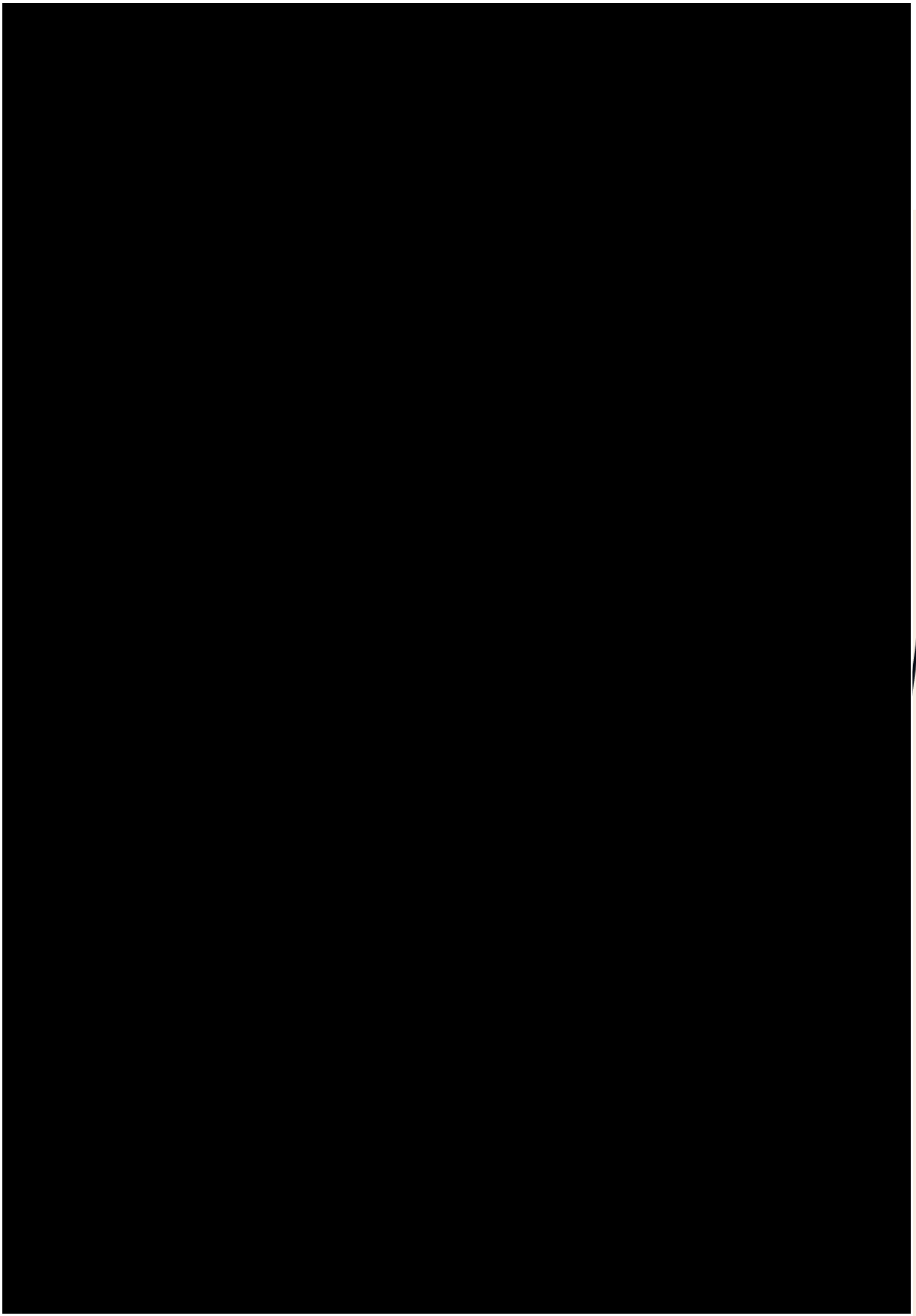
[redacted]

Special Clause(s)

None







Annex B
PS24020 - Improving the energy efficiency of owner-occupied homes in the UK: qualitative research Quotation Request

Framework Details

Title:	**Energy and Climate Change Behavioural Science Framework**
Reference:	**CR20116**
Framework End Date:	**1 January 2025**

Call-Off Contract Details

Call-Off Contract Reference:	**PS24020 - Improving the energy efficiency of owner-occupied homes in the UK: qualitative research**
Date of Issue:	**Friday 12 January 2024**
Date of Return:	**11:00AM Friday 19 January 2024**

UK Shared Business Services (UK SBS) on behalf of The Department for Energy Security and Net Zero (DESNZ) invites you to submit a quotation for the services as outlined below.

Requirement

Please see below full details of our requirement:

Project description

Brief background and evidence gaps

Domestic heating is responsible for 17% of the UK's carbon emissions.[1] In England, 65.1% of occupied domestic properties are owner-occupied homes.[2] Out of the 12.5 million occupied domestic properties in England that are below Energy Performance Certificate (EPC) Band C, just over 8.8 million are owner-occupied homes.[3] Improving the energy performance of domestic owner-occupied buildings will enable reduction in greenhouse gas emissions and reduced energy demand, both of which are critical to delivering on the UK Government's carbon budgets and commitment to reach net zero emissions by 2050. In addition, improvements to energy

[1] HM Government, Heat and Buildings Strategy , October 2021, p 23
[2] English Housing Survey 2021/22. See Annex Table 2.1.
[3] English Housing Survey 2021/22. See Annex Table 2.8.

performance bring several other benefits that are particularly important for vulnerable groups: warmer homes, improved health and wellbeing, and reduced fuel poverty and energy bills.
To support homeowners to improve the energy performance of their properties, the Department for Energy Security and Net Zero (DESNZ) is interested in understanding (1) the relative impact of behavioural barriers and drivers to undertaking retrofit and (2) how to overcome the behavioural barriers identified.
Previous internal rapid evidence assessments by DESNZ have summarised the behavioural barriers to owner-occupiers' uptake of energy efficiency and low carbon heating measures, as identified across a range of academic and grey literature. These include but are not limited to:

- The high upfront **costs** of installing the measures.
- The **disruption** (e.g. noise) and time demands associated with organising installation, applying for government schemes, and the installation process.
- Information and **awareness**-related barriers (e.g. misperceptions around costs and cost-savings, and lack of knowledge around the measures themselves or how to install them leading to **decision fatigue**).
- Practical and **logistical** barriers (e.g. planning constraints, spatial constraints, and irregular construction).
- Concerns around **suppliers**' availability, reliability, and quality of previous work.
- Concerns that energy efficiency measures might have **no impact on saving energy** or a negative impact on the **appearance** of the home.
- A **lack of incentives** to retrofit: the cost-savings, positive environmental impact, improvements to warmth and comfort, potential improvements to property value, etc. might not be known and/or prioritised by owner-occupiers.[4,5]

DESNZ-commissioned external research has also recognised the significance of some of these barriers. For example:

- Qualitative research on barriers to uptake of the Home Upgrade Grant identified that owner-occupiers lack confidence and feel cognitive overload in selecting the right technology and installer. Homeowners also expressed concerns that the scheme was complex to apply for and would not cover the entirety of the costs of installation.[6]
- Research to support the development of the government's energy advice service found that rural homeowners often reported a difficulty in finding trusted workmen due to scarce availability, particularly for specialty jobs like implementing energy efficiency measures.[7]

Previous research has also suggested that the barriers faced when considering home energy improvements vary across consumer type:

- Qualitative research to support the design of the Government's energy advice service found different groups of digitally excluded and hard-to-reach consumers present vastly different and complex barriers and needs, which cannot be satisfied with a single advice approach.[8]

Although several behavioural barriers to retrofit have been identified, substantial evidence gaps still exist in this space:

- There is limited evidence for subgroups of owner-occupiers in the UK, particularly for vulnerable subgroups such as older adults, and for those who have not engaged with government schemes.

[4] Unpublished DESNZ research (2021).
[5] Unpublished DESNZ research (2023).
[6] Unpublished DESNZ research, contracted by the Behavioural Insights Team (2021)
[7] Unpublished DESNZ research, contracted by Energy Saving Trust (2023).
[8] Unpublished DESNZ research, contracted by Energy Saving Trust (2023).

- There is not enough evidence to determine the relative impact of behavioural barriers to retrofit, including how this may vary for different consumers and across different specific energy improvement measures.

This research seeks to respond to these gaps and will help policy teams to understand (1) the extent to which different behavioural barriers impact on specific owner-occupier groups for both large-scale retrofit, and specific home energy improvement options and (2) the most effective solutions to overcome these barriers.
This research helps us to understand how we can best improve the energy performance of owner-occupied domestic buildings in the UK, and will ensure representation of consumer views, including those in vulnerable groups. The findings from this research will be used to develop targeted policy to best overcome the barriers faced by consumers when retrofitting their homes.

Research questions

This research project has two overarching research objectives, and three supporting research questions.

Research objectives

1. Understand the impacts of behavioural barriers to undertaking retrofit on subgroups of owner-occupiers, for both holistic retrofit and for some specific energy improvement measures.
2. Generate and discuss solutions to overcome these behavioural barriers and support consumers to improve the energy performance of their homes.

Research questions

1. What do homeowners think about previously identified barriers to retrofit?
    a. How do these barriers differ across the subgroups of homeowners?
    b. How do these barriers differ when considering whole house retrofit or only specific energy improvement measures, such as an air source heat pump or insulation measures?
2. What are the impacts of these barriers to taking up energy improvement measures?
    a. At what stage in the retrofit journey do these barriers affect consumers?
    b. Which barriers have a substantial impact on homeowners?
    c. Which barriers affect the different subgroups?
    d. Which of these barriers are difficult to overcome when considering whole house retrofit?
3. Which non-regulatory government interventions to support owner-occupiers to increase their uptake of energy improvement measures are perceived to be the most effective?
    a. What policy interventions do consumers think would best help them to overcome the barriers faced when considering retrofit options?
    b. How can any identified behavioural drivers be leveraged to support targeted policy solutions?
    c. Do preferences change when considering whole house retrofit vs take-up of specific home energy improvements?

It is important to note that we do not anticipate generalisable findings on any of these research questions, particularly for those questions relating to how barriers may differ by subgroup. The research aims to explore themes in consumers' opinions, including which barriers substantially affect which group of homeowners, but aims to draw no comparisons across the subgroups.

Behavioural Science Project

This research is a behavioural science project. This project uses a behavioural lens to examine the relative impact of the behavioural barriers to uptake of energy improvement measures in particular owner-occupier subgroups. The barriers discussed will be used to generate policy solutions to increase the uptake of home energy improvement measures in these vulnerable subgroups.

As per Lot 2 of the behavioural insights framework, this project involves using social research methods to understand the relative impact of barriers in the retrofit journey of several owner-occupier consumer groups. Qualitative methods (focus groups) will be used to explore these consumers' views and generate behavioural solutions for increasing uptake of energy improvement measures.

A qualitative approach has been chosen so that we can explore the opinions of these subgroups of owner-occupiers in depth, to ensure that future policy can adequately capture the views and needs of these groups.

Commissioning via the framework means we can deliver findings at pace, reducing timelines. The supplier will be able to recruit the required sample and deliver the desired number and criteria of participants within the given timeframe.

The project will inform policy development. It will (1) build on the existing evidence base on how to improve uptake of energy improvement measures across domestic owner-occupied properties in the UK by focusing on underrepresented groups; and (2) subsequently support the development of new policy for home decarbonisation in the owner-occupied housing sector.

Suggested approach

Methodology, including samples

The research will employ focus groups with four types of owner-occupiers. The supplier should detail how they would deliver the research, indicating how they would identify and recruit the necessary sample, as well as how they would build upon and adapt the approach where appropriate. We are open to the supplier submitting alternative methodologies, if they feel they would be better suited to fulfilling the research objectives.

Focus groups

The primary data collection activity will involve conducting focus groups with four different subgroups of owner-occupiers, with a minimum number of 80 total respondents (see sampling section below). Each group would ideally have 6-8 participants, and last approximately 2 hours. The focus groups would seek to cover each of the research objectives in detail, with topic guides to address all the research questions.
We anticipate that the focus groups will be split into two sections to address the research objectives in turn. The first section will explore the barriers to uptake of home energy improvements relevant to the group in question and the perceived impact of these on both holistic retrofit and some categories of improvement measures. The specific energy improvement categories to be examined, with relevant examples, are:

- **Low carbon heating:** air source heat pumps.
- **Insulation measures:** cavity wall insulation, external wall insulation, hot water cylinder insulation, internal wall insulation, and loft insulation.
- **Other low-cost measures:** draught proofing.

We expect that different focus groups will explore different measure categories to ensure that the barriers to the installation of the example measures can be covered in sufficient detail. We suggest that half the focus groups should explore low carbon heating options and other low-cost measures, and the other half of the groups should focus on insulation measures. However, we are open to alternative suggestions, such as having fewer in total but slightly larger focus groups to accommodate breakout groups within to discuss separate measure categories in more detail.
The second section will be more deliberative in nature, with suppliers drafting broad hypothetical policy solutions to use as a 'stimulus' during the focus groups to facilitate discussion, for example, probing consumer opinions on 'grants and subsidies' or 'guidance on energy improvement options' as potential options to motivate retrofit. DESNZ will help with devising the focus of these stimuli material in one of the weekly catch-up meetings.
We are open to alternative methodological suggestions, if the supplier feels these would be more appropriate for addressing the research aims with the consumer groups in question.

Sampling

The population of interest are individuals who currently own their home in the UK. There will be four subgroups of owner-occupiers:

- Fuel poor homeowners (defined as individuals who spend more than 10% of their household income, minus any mortgage payments, on energy bills)
- Homeowners aged 65+
- Homeowners with disabilities (or the carer of those with the disabilities, if more appropriate)
- Other homeowners, aged 18-64

There will ideally be 3 focus groups for each subgroup above, with 6-8 participants in each group, making a total of 12 focus group sessions and approximately 80-90 total participants. Some focus groups can be online, but some need to be conducted in person, to ensure representation of digitally excluded homeowners. This might be particularly important for the fuel poor and homeowners aged 65+ subgroups. Suppliers should outline clearly how they expect to conduct these focus groups.

The research would involve a purposive sampling approach, aiming to achieve diversity across the additional characteristics listed in Table 1 for each sub-group. Please note there is a minimum quota for participants' engagement with government schemes. No minimum quotas have been set for the remaining characteristics, but evidence of diversity is required. These characteristics will need to be monitored very carefully, with regular recruitment updates.

Table 1. Sampling criteria

Variable	Example	Quota
Prior installation of energy improvement measures	Have vs. have not already installed clean heat, energy efficiency, or other low-cost measures outlined above.	*Minimum 4 per group who have already installed energy improvement measures. Additional evidence of diversity in the types/numbers of measures installed would be preferable.*
Previous engagement with government energy schemes	Have vs. have not previously engaged with government energy schemes.	*Minimum 4 per group who have not engaged with government schemes.*

Region: the 12 regions of the UK	Greater London, North West, North East, Yorkshire and the Humber, West Midlands, East Midlands, East of England, South West, South East, Scotland, Northern Ireland, Wales.	*No minimum quota but evidence of diversity required.*
Property type	Detached, semi-detached, terraced house, bungalows, flats.	*No minimum quota but evidence of diversity required.*
Household income	Income in brackets: Less than 20k, 20-40k, 40-60k, etc.	*No minimum quota but evidence of diversity required.*
Ownership status	Mortgagors vs outright owners.	*No minimum quota but evidence of diversity required.*

Sample recruitment

Recruitment will be likely to draw on specialist recruitment agencies to fulfil the necessary sampling criteria. The supplier should specifically outline how they expect to recruit the group of homeowners with disabilities, including how they will incorporate potential accessibility considerations, such as adaptations for blindness, deafness, attention difficulties (if appropriate). We expect that the supplier will make use of incentives, such as vouchers, to aid recruitment and we have accounted for this within the budget.

Challenges that suppliers may face

We recognise that sample recruitment may be a challenge for this project, as there are many sampling variables to consider. Beyond the four respondent types and previous engagement with government schemes, we have not requested minimum quotas for any of the sampling variables. This flexibility should facilitate reaching the expected minimum participants for each focus group and the overall number of focus groups.

We also recognise that for some subgroups of owner-occupiers, the categories listed may not be mutually exclusive (e.g. some individuals could be both elderly and have not previously engaged with government schemes). To mitigate sampling complications, we suggest (1) keeping a log of the participant numbers with overlapping categories and (2) reporting any findings by respondent characteristics, rather than by focus group.

Desired outputs

Project stage	Output	Description
Stage 1: fieldwork (March–April '24)	Methodology and workshop materials	• A short document explaining sampling and recruitment strategy (delivered in March). • Screener and discussion guides for the focus groups (delivered in March). Both of the above will require at least one round of review by DESNZ.
	Interim findings presentation (mid-April)	• A 30–60-minute presentation for the immediate research and policy team to present initial findings and amend the research approach iteratively if

		required. The presentation should incorporate time for DESNZ colleagues to ask questions.
Stage 2: reporting (end of May–July '24)	Final presentation	• 1-1.5hr presentation giving an overview of the themes derived from the focus groups, allowing time for DESNZ colleagues to ask questions and seek clarification. The presentation slides will need to undergo at least one round of review by DESNZ.
	Report skeleton outline (delivered in May)	• Including structure of sections and brief description of key points to be included within.
	Final report (delivered by mid-July)	• Brief introduction. Summary and analysis of findings from focus groups. • The report will be no longer than 30 pages (excluding annex). • The Annex will include full methodology and research materials. • We expect that at least three drafts will be needed to reach the finalised report and these drafts should be delivered with sufficient time built in for review and comments. Each draft must be proof-read and delivered at a professional and publishable standard and incorporate accessibility requirements.
	Internal solutions / recommendations note (delivered by mid-July)	• A short document (2 pages) to be circulated internally in DESNZ of actionable recommendations for how the department might best overcome the barriers homeowners experience to drive take-up of energy efficiency and low carbon heating measures.

Ethical considerations/delivery risks

Ethical considerations

GDPR: UK GDPR will need to be complied with throughout. The GDPR Annex A checklist is attached and has been 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. Participant data will be kept anonymous in all presented work.

Delivery risks

Difficulties recruiting sample: There is a risk that, given that it is often challenging sampling vulnerable groups, our target sample of fuel poor, elderly and disabled owner-occupiers may be difficult to obtain. This could mean we are not able to recruit a sufficiently large number of participants within the project timelines. We have attempted to mitigate this by (1) providing flexibility surrounding the total number of participants and participants per group; (2) providing a relatively long project timeline to allow sufficient time for recruitment; and (3) building resource for financial incentives into the project budget. DESNZ are also happy to write initial emails / provide cover letters, if using the 'government brand' might be useful to support recruitment.

Project management

We require the following project management activities:

- An hour-long kick-off meeting with DESNZ social research and policy colleagues.

- Weekly 30-minute project check-in meetings, with written minutes and actions circulated by the supplier afterwards. During the recruitment phase, we also require weekly recruitment updates including all the sample characteristics above.
- An extended team meeting, following the first focus groups, to check in on the early fieldwork and discuss any potential challenges that may have arisen.
- Ad-hoc emails and meetings where necessary.
- Supplier to manage a project tracker and risk log which DESNZ has access to.

The project will be led by SABER researchers.

Funding and contract dates

Maximum value of the project[9]	£70,000.00 excluding VAT (Maximum)
Budget financial year[10]	Split across 2023-24 and 2024-25
Contract start date	January 2024
Contract end date	July 2024
Are those dates flexible	No. We expect the final report to be delivered by the end of July 2024.

[redacted]

[9] Annex II contains a list of average provider rates, which can be used to calculate the approximate value of the project.
[10] Please make clear the financial year from which budget for this research should be drawn.

Supplier Response

Timescales

The timescales of this Project are:

Start date:	January 2024
End date:	July 2024

Please confirm that you are able to complete by the timescales detailed above: **Yes / No (Please delete as appropriate (guidance below))**

Please note that the timescales for completion are mandatory, should you be unable to complete by the end date, we will be unable to award this project to you and will move to the next ranked Supplier on the Framework.

Price

Please confirm your Firm and Fixed price for completion of this project (you are required to ensure that your rates do not exceed the maximum rates submitted for the Framework)

N.B. This should include all costs relating to the projects as well as Travel, Subsistence and Overhead costs (For clarity, only the figure quoted will be accepted as firm and final):

Firm and Fixed Price:	**£ [Supplier to confirm]**

Please confirm that in addition to providing your firm and fixed price above, that you have also attached a breakdown of the Staff to deliver, hours and rates applicable (so these can be cross referenced with the Framework rates).

Breakdown of staff to deliver, hours and rates provided with quotation response:	**Yes – Please complete the below table**

Job Title	Standard Day Rate	Discounted Day Rate (Framework)	Number of Days

Special Clause(s)

None

Supplier Signature

Supplier Name:	
Signature