

Commissioning Letter

RSM UK Consulting LLP
2nd Floor, North Wing East
City House
Hills Road
Cambridge
CB2 1RE

Wednesday, 06 February 2019

Dear Sirs

**BEIS Research and Evaluation Framework Agreement – Lot 1
Enforcing the enhancement of energy efficiency regulations in the English private
rented sector
CR18199**

Thank you for your response to the Specification for the above commission by the Department for Business, Energy and Industrial Strategy (BEIS) (the Customer) through the BIS Research and Evaluation Framework dated 2 January 2016 between (1) Secretary of State for Business, Innovation and Skills; and (2) RSM UK Consulting LLP (the Framework Agreement).

- Appendix A: Specification for Enforcing the enhancement of energy efficiency regulations in the English private rented sector
Appendix B: Tender dated 18th January 2019
Annex A: General Data Protection Regulations

This contract shall commence on 8th February 2019 and shall end on 29th March 2019.

Department for Business, Energy and Industrial Strategy accepts your Tender (Appendix B), submitted in response to our Specification (Appendix A). RSM UK Consulting LLP shall undertake the services in alignment with the specification in Appendix A and their bid submitted in Appendix B.

The Call-Off Terms and Conditions for this Contract are those set out in Schedule 5 to the Framework.

The agreed total charges for this assignment are £47,300.00 exclusive of VAT which should be added at the prevailing rate. This contract shall not exceed £47,300.00 in alignment with the following commercial breakdown:



AW5.2 Price Schedule

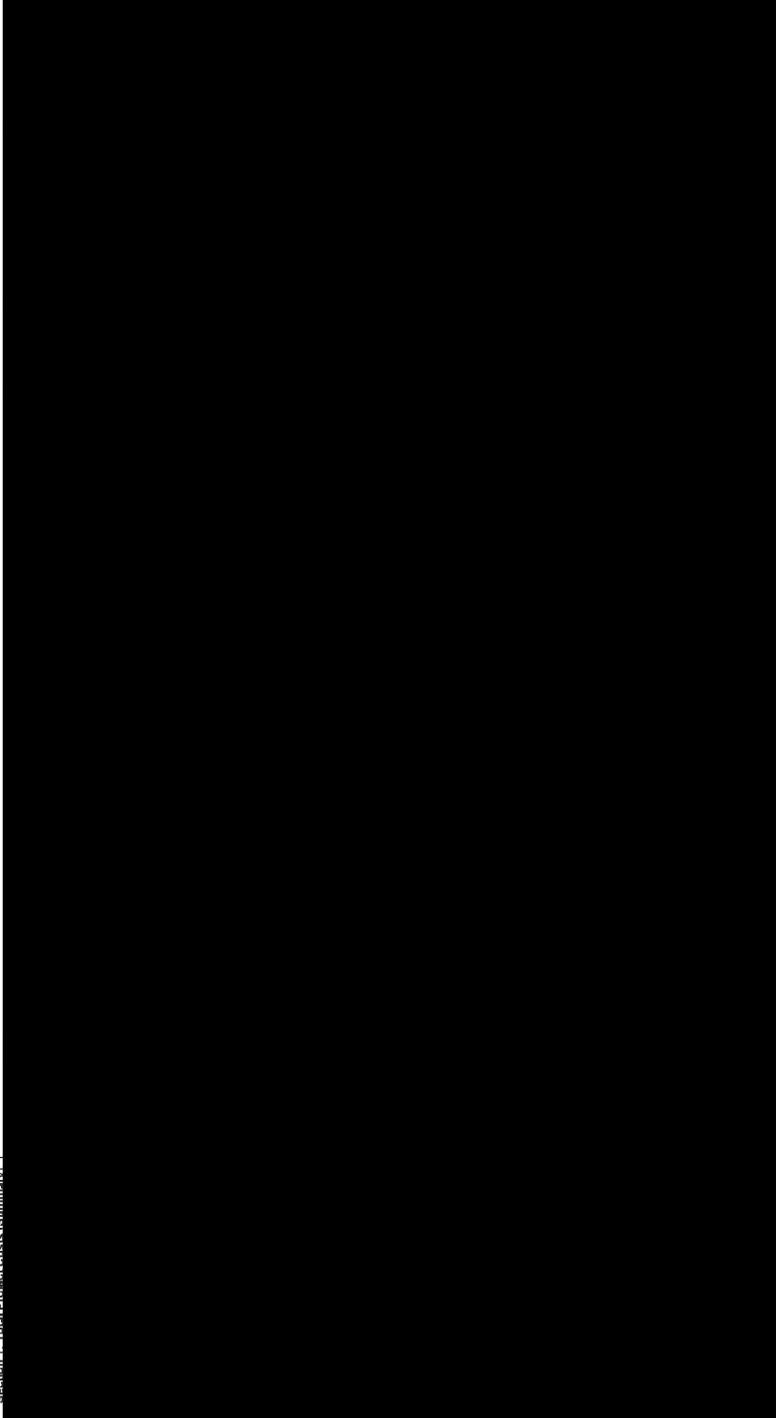
Please ensure that you DO NOT alter this spreadsheet. Any alterations may result in your Pricing being disqualified.

SOURCING REFERENCE:	CR18189
SOURCING DOCUMENT TITLE:	Entering the enhancement of energy efficiency regulations in the English private rental sector
BIDDER NAME:	RSM
Please complete the shaded yellow sections only.	

Please note that the staff costs in section 1 cell D22 should equal the staff costs outlined in section 2. Section 2 provides further detail around the project team and the distribution of staff days.

The figure used for evaluation is the total cost (ex VAT) provided in Section 1 (cell D22). The total cost is the total staff costs (ex VAT) and the total Travel and Subsistence, Overhead costs, cost of production of materials and ancillary costs associated with the delivery of the project (ex VAT).

Section 1 - Total Project Costs (Summary)



UKSBS:
Covered in for #18189

Polaris House, North Star Avenue, Swindon, Wiltshire, SN2 1FF www.ukpbs.co.uk CR18189

UK Shared Business Services Ltd (UK SBS), Registered in England and Wales as a limited company.
Company Number 6330639. Registered Office Polaris House, North Star Avenue, Swindon, Wiltshire SN2 1FF

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The agreed invoice schedule is below:-

Delivery of interim report [REDACTED]

Delivery of final report [REDACTED]

All invoices should be sent to should be sent to finance@services.ukpbs.co.uk or Billingham (UKPBS, Queensway House, West Precinct, Billingham, TS23 2NF). A copy of the invoice should be sent to [REDACTED].

You are reminded that any Customer Intellectual Property Rights provided in order to perform the Services will remain the property of the Customer. The following deliverables have been agreed:

The Services Commencement Date is 8th February 2019.

The Completion date is 29th March 2019.

The Contract may be terminated for convenience by giving 30 days' notice in accordance with clause 38 of the Call-off Terms and Conditions.

Your invoice(s) for this work must include the following information:

Commission number: CR18199

The Authorised Representative for this Commission will be [REDACTED] who can be contacted at [REDACTED].

Until the date of publication, findings from all Project outputs shall be treated as confidential. Findings shall not be released to the press or disseminated in any way or at any time prior to publication without approval of the Department.

This clause applies at all times prior to publication of the final report. Where the Contractor wishes to issue a Press Notice or other publicity material containing findings from the Project, notification of plans, including timing and drafts of planned releases shall be submitted by the Contractor to the Project Manager at least one week before the intended date of release and before any agreement is made with press or other external audiences, to allow the Department time to comment on factual accuracy. All Press Notices released by the Department or the Contractor shall state the full title of the research report, and include a hyperlink to the Department's research web pages, and any other web pages as relevant, to access the publication/s.

This clause applies at all times prior to publication of the final report and within one month from the date of publication. Where the Contractor wishes to present findings from the Project in the public domain, for example at conferences, seminars, or in journal articles, the Contractor shall notify the Project Manager before any agreement is made with external audiences, to allow the Department time to consider the request. The Contractor shall only present findings that will already be in the public domain at the time of presentation, unless otherwise agreed with the Department.

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

Yours sincerely

OFFICIAL-SENSITIVE (COMMERCIAL)

 Category Manager
UK Shared Business Services Ltd

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.

Department for Business, Energy and Industrial Strategy

Name and Title	
Signature	
Date	12/02/19

Signed on behalf of RSM UK Consulting LLP

Name and Title	 RTNER
	
	

- **Appendix A Specification**

Background

The Committee on Fuel Poverty, an executive NDPB for whom BEIS sets aside a research budget each year, has requested BEIS commission a research project on the enforcement of new Minimum Energy Efficiency Standards (MEES). From 1 April 2018, the Minimum Energy Efficiency Standards have required private landlords to improve homes rated at Energy Performance Certificate Bands F or G to improve their property to E before renting it out, unless their property is eligible for an exemption. These regulations are an important part of decarbonization and reducing heating costs for fuel poor households, as per the Clean Growth Strategy. Future energy efficiency regulations for landlords are expected to put into place, requiring landlords to improve properties to an EPC Band C by 2030. The expected reductions in carbon emissions and fuel poverty are dependent on a high level of landlord compliance, which is meant to be enforced by Local Authorities.

Recent research (*The Warm Arm of the Law* and *The Evolving Private Rented Sector*) has identified several challenges with the enforcement of MEES by Local Authorities. In particular, Local Authorities are currently unable to identify landlords in violation of the regulations, and costs of enforcement may exceed Local Authorities' limited budgets. The Committee on Fuel Poverty is concerned this may lead to the under-enforcement of these regulations, leaving many vulnerable and low-income people in substandard tenancies.

This research seeks to address these challenges by asking the question: *To achieve the housing stock improvement and reduction in fuel poverty sought from the new Minimum Energy Efficiency Standards, what alternative enforcement models could be adopted and how might they work?*

The Committee on Fuel Poverty has proposed a research project aimed at clearly defining the problem and identifying potential options for better enforcement. The report will be released by the Committee for Fuel Poverty and used to inform its work advising Government on Fuel Poverty. It will also feed into Private Rented Sector and Fuel Poverty policy.

Aims and Objectives of the Project

The project aims to:

- Review existing literature regarding the effectiveness of existing monitoring and enforcement of PRS regulations.
- Appraise policy alternatives for enforcement, including considering a mandatory national landlord licensing scheme.
- Compare the identified alternatives systematically, considering the expected level of compliance and expected costs of each option.
- Suggest principles for effective future enforcement.

The questions we expect to be answered from the evidence review are:

1. How does the Government in England identify landlords, verify compliance, and enforce PRS regulations, and ensure tenant rights are protected? How well is this working? What are the barriers to enforcement?
2. How do governments/regulatory agencies identify landlords, verify compliance, and enforce regulations in other nations (including Scotland, Wales and Northern Ireland, as well as other countries with similar rental sectors)? How are tenant rights protected in the process?
3. Which new or innovative policy alternatives could improve identification of landlords, verification of compliance, enforcement of PRS regulations, and protection of tenant rights (e.g. putting the burden of compliance on letting agencies; using blockchain as part of a landlord register)?
- 4.

The questions we expect to be answered from interviews/seminars with stakeholders are:

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5. How effective, feasible, and deliverable might the above policy alternatives be? (Consider, for example, the value for money provided by the alternatives identified in question 2 and question 3.)
6. What key principles should a new enforcement scheme draw from? What do stakeholders consider to be the most important priorities when deciding between enforcement options? How could preferred options be funded?

Suggested Methodology

We expect contractors to set out their proposed research methods. We would expect their approach to include, but not be limited to, the following:

Phase 1: The first stage of the research will involve an evidence review of existing material. This will involve identifying relevant existing Fuel Poverty, Private Rented Sector, and regulation literature, assessing its robustness, synthesising it into one place and mapping out where the evidence gaps are. Contractors will be asked to set out their search strategy for identifying relevant literature and how they will assess the robustness of this. It is anticipated that this would include using a systematic approach through specific search terms (e.g. relating to the topic areas and key regulation in other countries) and looking at research citing the main existing evidence in the area. This may also include interviews with experts in the field, including academics, who can signpost researchers to key sources. It is anticipated up to 20 days of time would be spent on this stage of the research including the provision of a first stage report to the steering group. A key output of the first stage of the research will be an accessible, high level comparative assessment of different options for government enforcement of the Minimum Energy Efficiency Standards.

Phase 2: The second stage of the research will explore the feasibility of the options generated by the evidence review. Researchers would be expected to conduct 10-20 seminars and interviews with key stakeholders; for example, representatives from Local Authorities, Devolved Authorities, the Association of Local Authority Energy Officers and Environmental Health Officers, or the National Landlords Association. BEIS and/or the CFP may be able to assist with introductions to these stakeholders, although a list of potential interviewees should be generated by researchers. Additionally, this stage should include identification of potential costs of the most promising alternatives and how these options could be funded.

Deliverables

Slide pack (or similar electronic update) of interim findings (mid-February)

Final report (end of March)

Presentation to Committee on Fuel Poverty (date tbc)