

DPS SCHEDULE 4: LETTER OF APPOINTMENT AND CONTRACT TERMS

Part 1: CR18176 Letter of Appointment

Dear Sirs

Letter of Appointment

This letter of Appointment is issued in accordance with the provisions of the DPS Agreement (RM6018) between CCS and the Supplier dated Tuesday, 29th January 2019

Capitalised terms and expressions used in this letter have the same meanings as in the Contract Terms unless the context otherwise requires.

Order Number:	To follow
From:	Department for Business, Energy and Industrial Strategy 1 Victoria Street London SW1H 0ET ("Customer")
To:	The National Centre for Social Research 35 Northampton Square London EC1V0AX ("Supplier")

Effective Date:	Tuesday, 29 th January 2019
Expiry Date:	Monday, 30 th September 2019

Services required:	Set out in Section 2, Part B (Specification) of the DPS Agreement and refined by: ·the Customer's Project Specification attached at Annex A and the Supplier's Proposal attached at Annex B; and
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Key Individuals:	██████████, Principal Research Officer, ██████████ The National Centre for Social Research Project Director - ██████████ ██████████ Research Director
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Contract Charges (including any applicable discount(s), but excluding VAT):	The total value of this contract shall not exceed £146,990.86 excluding VAT and as per the breakdown in Annex C
Insurance Requirements	<p>Additional public liability insurance to cover all risks in the performance of the Contract, with a minimum limit of £5 million for each individual claim</p> <p>Additional employers' liability insurance with a minimum limit of £5 million indemnity</p> <p>Additional professional indemnity insurance adequate to cover all risks in the performance of the Contract with a minimum limit of indemnity of £2 million for each individual claim.</p> <p>Product liability insurance cover all risks in the provision of Deliverables under the Contract, with a minimum limit of £5 million for each individual claim</p>
Customer billing address for invoicing:	All invoices should be sent to should be sent to finance@services.uksbs.co.uk or Billingham (UKSBS, Queensway House, West Precinct, Billingham, TS23 2NF) A copy of the invoice should be sent to-

FORMATION OF CONTRACT

BY SIGNING AND RETURNING THIS LETTER OF APPOINTMENT (which may be done by electronic means) the Supplier agrees to enter a Contract with the Customer to provide the Services in accordance with the terms of this letter and the Contract Terms.

The Parties hereby acknowledge and agree that they have read this letter and the Contract Terms.

The Parties hereby acknowledge and agree that this Contract shall be formed when the Customer acknowledges (which may be done by electronic means) the receipt of the signed copy of this letter from the Supplier within two (2) Working Days from such receipt

For and on behalf of the Supplier:

Name and Title: [REDACTED]
Signature: [REDACTED]
Date: 18/1/2019

For and on behalf of the Customer:

Name and Title: [REDACTED]
Signature: [REDACTED]
Date: 2/4/2019

ANNEX A

Customer Project Specification

1. Background

The Government's Clean Growth Strategy establishes both the crucial role that a future transition to low-carbon heating will play in meeting UK's carbon reduction targets and the need to make critical decisions about the future of heat within the lifetime of the next parliament.

Heat is the single biggest reason we use energy in our society and is the biggest source of emissions in the UK, with around a third of the UK's carbon emissions coming from the energy used to produce heat. The decarbonisation of almost all heat in buildings is likely to be necessary if the Government is to meet commitments set out in the Climate Change Act. There are a range of technologies with potential for achieving this, including heat networks, heat pumps, hydrogen, biogas, and hybrid solutions, but it is not yet clear which will work best at scale and at least cost.

However, alongside delivering the benefits of decarbonisation, decarbonising heat, as identified in the Clean Growth Strategy, is likely to be the most complex decarbonisation challenge we face, with implications for consumers, infrastructure and markets. For example, while estimates vary, reports by the Committee on Climate Change and the National Infrastructure Commission suggest that whatever pathway (or route to decarbonisation) is ultimately selected the overall system costs are likely to be higher than at present, given the infrastructure investment need.¹ Additionally, the public is likely to face some disruption in their homes (in the form of new appliances and their installation) and potentially in their communities (in the form of infrastructure upgrades) and may need to learn how to adapt their heating practices to a new technology in order to maximise the benefits of the transition.²

Given this, public confidence in the transition to low-carbon heating technologies is likely to play an important part of taking forward this heating transition. For example, public opinion and public perceptions could influence the debate around a future heating transition, the viability of specific transition pathways, and the shape, scale and costs of supporting policies. Despite this, there is limited evidence on current levels of engagement amongst the public when it comes to future heat decarbonisation. As the Government works to lay the groundwork in this Parliament to set up decisions in the first half of the next decade about the long-term future of heat, the evidence base needs to be strengthened both on current levels of public engagement, and on the relative strengths of various plausible options for future engagement. In response, this research aims to provide a platform from which to build internal and external thinking and capacity on this issue.

The aims of this research are:

- a) to understand the current situation regarding public awareness, understanding, and attitudes towards a future low-carbon heating transition, and
- b) to identify and assess plausible and realistic aims for engaging the public with the future of heat and the different options for achieving those

¹ For example, a [recent report](#) by Imperial College for the Committee on Climate Change (CCC) and another report by Element Energy Limited and E4Tech for the National Infrastructure Commission (NIC).

² For example, a [recent report](#) by the Energy Systems Catapult (ESC) for the Energy Technologies Institute (ETI).

aims, while considering the implications of those options for decision-making related to the future of heat.

In addressing these aims this research will support BEIS (and key stakeholders) in identifying the practical steps for potential public engagement with the future of heat. Bidders should ensure that, as a minimum, Aim B is given equal priority (if not higher priority) to Aim A.

The findings will also help to:

- build the evidence base to help inform policy decisions regarding the public and consumer acceptability of different pathways for a future transition to low-carbon heating and the types of policy interventions that may be required to increase the acceptability of different options
- provide a basis for developing aims, and approaches to meeting those aims, which could inform a public engagement strategy and support efforts to bring the public into dialogue about the future of low-carbon heating in the UK in the most effective way
- inform the development of potential communications related to a future low-carbon heating transition.

It is anticipated that this work will also be of wider value across BEIS in furthering understanding of the opportunities and mechanisms that exist for public engagement/participation.

Given the specificity of this work, bidders shall be required to apply their applicable skills to both public engagement and energy (and where possible low-carbon heating specifically) and be able to make clear, strategic advice on this matter across the course of the project, or otherwise be able to capture the necessary applicable skills and expertise through a consortium arrangement.

2. Aims and Objectives of the Project

This research project has two aims, split across 4 high-level Research Questions. While we have outlined a set of indicative sub-questions below these four, we would encourage bidders to suggest additional or alternate sub-questions where appropriate. Further, while we have split the questions across distinct aims and research questions respectively, we would anticipate bidders to address these questions holistically and recognise how and where the questions cut across the different proposed methods for this project.

Aim a)

To provide a clear understanding of current public awareness, attitudes, understanding and preferences for different low-carbon transition options and the technologies involved.

RQ1: What is the current level of public awareness and understanding regarding the need and rationale for a heating transition? Examples of issues that might be explored include:

- The issues over which the public have greater or lesser understanding
- The barriers to raising levels of awareness and understanding

RQ2: What are current attitudes towards a future transition to low-carbon heating? Examples of issues that might be explored include:

- Where specific pathways are considered: what are the current attitudes towards the idea of that change, and how do attitudes shift when the practicalities and disruptions associated with that change are made apparent?
- What specific aspects of a heating transition are the public most and least supportive of? What areas should be priority areas of focus for future policy?

- How do attitudes towards a low carbon heating transition break down across the population (e.g. what proportion of people are very supportive or very opposed to a transition, and unlikely to shift from this position)?
- To what extent are the public willing to have low-carbon heating in their homes? How much would the public be willing to spend on low-carbon heating, and what would they expect from low-carbon heating system in return for those increased costs?
- Are there any minimum conditions that can be identified or 'conditions of acceptance' that the public would expect any Government decision on technologies or future propositions for heating to take into account?
- What barriers exist with regards to increasing public willingness in this area, including how to address any value-action gaps, especially regarding the installation of different technologies and any associated disruption?
- What are the public's views on specific steps that the Government could take?
- What assurances would the public need from Government to increase support for a future transition to low-carbon heating? And, what assurances would the public need from Government to increase support for specific pathways (with regards to both the transition process (e.g. 'planned' vs 'bottom-up', and with regards to specific outcomes)?
- What do the public expect regarding how government should take decisions on a transition of this magnitude and (potential) citizen disruption? What criteria would the public expect to be met by any decision reached? How does support for and trust in different governance and decision-making mechanisms differ?

Aim b)

To identify and assess plausible and realistic aims and options for engaging the public with the future of heat and provide related strategic advice and expertise.

RQ3: What are the different dimensions and options for engaging the public with low-carbon heat? Examples of the dimensions that may be explored include, but are not limited to:

- What is the range of plausible and realistic aims for a public engagement strategy regarding heat, including for different heating technology pathways, their governance implications, and their 'fit' for the different low carbon transition pathways (for example: top-down 'central' versus distributed 'bottom-up' approaches)
- What are the different practical approaches and steps available for engaging the public (ranging, for example, from options for awareness raising and conviction-building, through to consultation and deliberative mechanisms, through to using market signals, information services, focussing on specific consumer trigger-points, or new business models)? What might be the necessary next steps and possible sequencing of those options, and how might they interact with Government's possible approaches to policy- and decision-making?
- What roles could different actors have in public engagement and rolling out a transition (for example: Government, local authorities, independent body, energy companies, and other actors)?
- What are the different narrative frames that could be used when engaging people with a future low-carbon transition (for example: future of heating versus of the future home more broadly, focusing on climate change versus a focus on other co-benefits like health or energy security)? Which of these narratives – and which messengers/channels for these - have most resonance with the public?

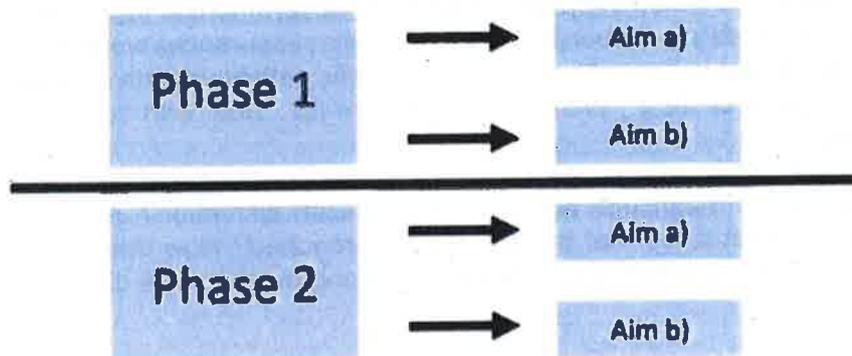
RQ4: What are the strengths and weaknesses of the different options, approaches and framings for engaging the public with low-carbon heat? Examples of issues that might be explored include:

- Which public engagement options and approaches are favoured by the public and why?
- Who do the public trust and favour to carry out a transition, and any associated public engagement, and why?

- What types of narratives are likely to be most effective and why?
- What are public expectations around the role that they should play in decision-making related to a future low-carbon heating transition?

3. Suggested Methodology

This research is split across two phases, each of which will address aspects of the two aims of this research as detailed in the diagram below. As stated above the aims of this research are: a) to understand the current situation regarding public awareness, understanding, and attitudes towards a future low-carbon heating transition, and b) to identify and assess plausible and realistic aims for engaging the public with the future of heat, the different options for achieving those aims, while considering the implications of those options for decision-making related to the future of heat.



We are open to the suggestions of bidders with regards to the methodologies that would be best placed to address these aims, and we recognise that it is likely the contractors will need to bring together a range of evidence sources to address the research aims. This document details [an example methodology for the performance of this research](#), and we anticipate to work with the contractor to identify the precise form of the work such that it addresses the research questions highlighted above while maximising contractor expertise.

Phase 1

Quantitative Survey of the Public, aim a):

To be completed by end April 2019

It is anticipated that survey work will build upon existing research to explicitly address public awareness, understanding, and attitudes towards a future heating, as well as preferences and perceptions of the different transition pathways and their underlying technologies. This component of the research should aim to produce robust, representative data on current public opinion, awareness and attitudes towards a future low-carbon heating transition, able to serve as a baseline for similar analysis in future. We are also open to suggestions of if/how segmentation analysis might be incorporated into the approach to further enrich understanding of attitudes and inform future thinking on options for public engagement. Where bidders propose to perform segmentation analysis, they should demonstrate how and where this might alter their plans for the performance of the survey during Phase 1.³

While the survey findings should stand for themselves, it is anticipated they will also form the basis for the development of further research (e.g. in-depth qualitative work) during Phase 2 of the project.

We anticipate that contractors will want to specify their own approach to performing the survey component of this research within the allocated budget. However, based on previous

³ Depending on the scale and scope of those suggestions, any dedicated segmentation analysis may need to take place during Phase 2, after the primary output for the survey work is already completed and to enable BEIS to decide on whether to proceed with more complex analysis.

work in this area and the need to produce statistically meaningful insight we would anticipate a survey of 1800-2000 participants may be required. Where the contractor seeks to deliver this work through an existing sample (using an existing omnibus or equivalent) we will assess bidders against the applicability of their preferred method for making robust inferences of the UK as a whole, as well as specific groupings such as specific geographic regions, different age groups, homes that are not connected to the gas grid (e.g. rural homes heated with high carbon fossil fuels), and of those who live in fuel poverty. Any survey should be required to be carried out in line with the Code of Practice for Statistics located at <https://www.statisticsauthority.gov.uk/code-of-practice/the-code/>

We are agnostic with to participants the pros, cons and complexities of different regards to the delivery mode of this survey so long as bidders are able to justify their choice and are able to demonstrate how they will communicate heating technologies and show how and where participants need to be introduced to new material and stimuli during the survey itself. It is envisaged the total survey might consist of approximately 20-25 questions across the topics outlined above.

Framework of public engagement options (simultaneous to survey), aim b):

To be completed by end April 2019

It is envisaged that literature-based work should build upon existing typologies for public engagement to identify a comprehensive framework of strategic options for public engagement over a low-carbon heating transition. This work should be wide-ranging and consider plausible and realistic aims/objectives for public engagement over heat, the various modes and strategies of public engagement, including 'classic' approaches to raising awareness and influencing behaviour, more deliberative and 'participatory' approaches, regulatory measures, as well as approaches that seek to make low-carbon heating solutions preferable to natural gas without explicit reference to decarbonisation. We would expect to see meaningful reflection upon a broad range of mechanisms that work at multiple scales (e.g., a national campaign vs schools curriculum inserts), as well as a reflection upon a set of realistic aims and expectations for public engagement. These differing strategies will need to be set against the different transition pathways and their governance implications (as it may be the case that certain engagement strategies will have limited or reduced applicability under certain scenarios), and against different policy-making approaches and sequences. This work will also identify the high-level 'narratives' that might be associated with the different options on the framework, as well as the role that different authorities and the public would be required to play in each instance. Findings from the literature will be enhanced through the contractor's own expertise.

In addressing the above, this project could make use of academic, grey, policy, and evaluation materials, and as part of this review of the evidence the contractor will be required to identify relevant expertise in each of the approaches highlighted, appropriate case studies or examples of the strategies in practice, remaining evidence gaps, and any key contingencies/risks into a framework of options. These materials will be essential in developing Phase 2 of the project. We would expect the contractor to use UK examples where appropriate but also recognise the value of comparable international examples (for example, Dutch materials on 'transition management'). Likewise, where the contractor draws parallels with other kinds of transition we would expect a focus on more recent examples to ensure that findings are contextually relevant. However, as mentioned previously, these methods are illustrative, and bidders may wish to consider and propose alternate approaches (for example, interviews with industry could be used to ascertain their views on realistic objectives and options for public engagement).

The finished framework must be thoroughly evidenced and submissible for peer-review when completed.

After phase 1 there should be a break clause. At this stage BEIS reserves the right to terminate the project. Bidders must clearly signal this break clause within their pricing and proposed methodology.

Phase 2

NB: The specific focus of Phase 2 of this research will ultimately be decided in agreement with BEIS upon the completion of Phase 1 and designed to build on that work in the most effective way. We would encourage bidders to demonstrate creative thinking in illustrating how (at this stage) they would expect to perform Phase 2 of this work.

Examples listed here are illustrative on methods that might be included within Phase 2. The timings suggested are indicative, although bidders should aim for project completion by September 2019.

Expert Interviews, (aim b):

To be completed by end June 2019

Expert interviews could be used to reflect and build upon survey findings and the framework of options identified during Phase 1. In particular, experts could comment upon the pros and cons of the various options identified, and their applicability with regards to the current levels of public awareness, attitudes, and understandings, preferences and perceptions of different transition pathways and their underlying technologies. Expert interviews will also produce commentary on any further key contingencies and risks and will address the practical steps that would need to be taken were the Government to pursue any of the options identified. Discussion of the recommendations made during these interviews will inform the development of topic guides for discussion during focus groups.

We would anticipate the contractor to perform an appropriate number of interviews as part of this component of the research across an expertise base that includes academics, representatives of NGOs, representatives of energy companies, and the managers/organisers of public engagement campaigns. The final number and configuration of these interviews is somewhat contingent upon the number of options/strategies identified during the literature work. Interviews can be performed by telephone/Skype as the expertise is geographically diffuse, and it is anticipated that interviews will last 45-60 minutes in order to facilitate both a reflection on the findings of the survey work, a discussion of the options identified in the literature work including the pros and cons of any options discussed, and for interview participants to identify any further steps the Government would need to take were it to act upon any of the public engagement options identified in the literature work.

Focus Groups with the Public (sequenced after interviews), (aims a & b):

To be completed by end August 2019

(exceptions if the timings shifts to accommodate a later survey delivery date)

In-depth focus groups could be used to build on the topic areas outlined above. For example, these focus groups could serve functions such as:

- To expand on survey findings to explore how and why different attitudes and perceptions have formed with regards to the rationale for change, different transition pathways, their underlying technologies, and any steps that Government might take to meet minimum public expectations or assuage concerns around disruption and hassle associated with a heating transition (thereby consolidating findings that address aim a) of this research).
- To deliberate with participants on the framework of options produced by the project, with a focus on discussions around preferences towards different transition options, the steps Government might take in sequencing a transition, the various dimensions for engaging the public (including the types of associated narratives), as well as how and where the public would expect to feed into

decision-making regarding the future of heat, and broader expectations about how Government might go about reaching a decision of this sort.

In order to facilitate useful discussion across the range of themes outlined above the project we would anticipate the contractor could look to perform around 12 1.5-2 hour focus groups of 6-8 participants. It may be preferable to split these focus groups to address different the two aims of this research. Bidders may wish to specify subgroups of particular importance for the focus groups, but we anticipate that the eventual contractor would be better able to identify these in response to the survey findings.

4. Deliverables

Phase 1

Bidders should propose suitable outputs, as these will depend on the methods used, provided these are of high quality and in keeping with Government Social Research reporting guidelines. For example, outputs could include:

- Survey findings in the form of raw data and a standalone slide pack and/or report summarising the findings.
- Literature work findings in the form of a written report, slide pack, or equivalent summarising existing evidence, alongside an easy to navigate framework of options for public engagement that identifies different strategies, their pros and cons, key risks and contingencies, real world examples of the outlined approaches, and contact details for key experts. This framework should be seen as a living document that will be updated throughout the lifetime of the research project.

Workshop or presentation summarising findings from Phase 1 for a wider range of stakeholders within BEIS.

Phase 2

All research during Phase 2 should produce high quality outputs in keeping with Government Social Research reporting guidelines, and bidders should factor in time for BEIS to comment on 3 drafts prior to sign-off. Bidders should propose suitable outputs, as these will depend on the methods used. For example:

- Interview findings in the form of an internal report that highlights additional learnings from the interview work and how these build upon or otherwise alter the findings of the literature work. Findings should be appended to the literature work report and integrated into the framework as detailed above.
- Focus group findings in the form of transcripts and a written report that highlights the findings and explains the implications of those findings with regards to the development of a public strategy for heat. Findings should be integrated into the framework as detailed above.

A high-quality report that consolidates findings and key learnings of the project as-a-whole should be produced, as well as a workshop or presentation summarising findings for a wider range of stakeholders within BEIS.

General guidelines

All research during should produce high quality outputs in keeping with Government Social Research reporting guidelines (Annex A), and bidders should factor in time for BEIS to comment on 3 drafts prior to sign-off

In all cases, BEIS will need to comment on, and sign-off, all primary research materials, and the sampling frames associated with all data collection.

BEIS may wish to appoint an external peer reviewer for this project. We will endeavour (but cannot guarantee) to align peer review timings with the first set of comments from BEIS on the first drafts of reports.

All tables, figures, and visualisations should be produced in line with ONS Data Visualisation Guidelines [located https://style.ons.gov.uk/category/data-visualisation/](https://style.ons.gov.uk/category/data-visualisation/).

The table below provides an indicative timetable (as this is subject to the methodological approach suggested).

Phase	Action	Approx completion date
1	Development of survey materials	Mid Feb ('19)
1	Analysis of survey data	Mid Apr ('19)
1	Report of survey findings and presentation to BEIS Phase 1, aim a) output	End Apr ('19)
1	Strategic review of literature and evidence	End Feb ('19)
1	Production of options framework	End Mar ('19)
1	Interim report on framework and presentation to BEIS Phase 1 aim b) output	End Apr ('19)
REVIEW POINT IN CONTRACT		
2	Framework testing with recognised expertise	Jun ('19)
2	Identification of focus group sample and development of topic guides	Ear Jul ('19)
2	Performance and analysis of focus groups	Ear Aug ('19)
2	Interim report of findings and presentation to BEIS	Mid Aug ('19)
2	Synthesis and first draft report Phase 2 output	End Aug ('19)
2	Presentation to BEIS	Mid Sep ('19)
2	Final Report Project Completion	End Sep ('19)

Contract Value is £146,990.86 excluding VAT

The invoice schedule is below:

Milestone	Approximate Date	Invoice amount
Phase 1		
Sign off and completion of phase 1 outputs	June 2019 (possibly July/August 2019 subject to decision on cognitive testing)	██████████ (possibly circa ██████████ subject to decision on cognitive testing)
Review point		
Sign off and completion of phase 2 outputs	November 2019	██████████

Part 2: Contract Terms