



Department for
Energy Security
& Net Zero

Evaluation of Phase 3 of the Public Sector Decarbonisation Scheme

Technical Method Annex for the 2024 interim
report

June 2024



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Overview

The Department for Energy Security and Net Zero ('the Department') has commissioned a process, impact and economic evaluation of Phases 2 and 3 of the Public Sector Decarbonisation Scheme (PSDS) and the Low Carbon Skills Fund (LCSF). The evaluation comprises multiple stages of data collection and analysis across multiple years.

This report is the technical annex outlining the methodology for the stage one interim report of April 2024, produced by the independent evaluation consortium commissioned by the Department. There is an accompanying report detailing the findings from the evaluation so far. The report covers the following:

- Chapter 1 provides an overview of the PSDS and LCSF, including changes in scheme rules and eligibility criteria between Phases.
- Chapter 2 sets out the Theory of Change for the scheme, including key assumptions and links between inputs, outputs and outcomes.
- Chapter 3 summarises the evaluation of the PSDS and LCSF, both the objectives / evaluation questions and broad timings.
- Chapter 4 describes in more detail the approach to the evaluation – an overview of the primary research elements, how these were analysed, and limitations that should be noted.
- Chapter 5 then contains all the research instruments (e.g. survey scripts, qualitative interview topic guides, workshop discussion guides) utilised for the Stage 1 process evaluation.

1: Background

1.1: The Public Sector Decarbonisation Scheme

The Public Sector Decarbonisation Scheme (PSDS) provides grants for public sector bodies to fund heat decarbonisation and energy efficiency measures¹. The PSDS supports delivery of the UK's ambitious goal to become net zero by 2050 and the Net Zero Strategy goal to reduce direct emissions from public sector buildings by at least 50 percent by 2032, and by 75 percent by 2037, compared to a 2017 baseline. The scheme will reduce carbon emissions from the public sector, contributing to meeting Carbon Budgets 4, 5 and 6. The scheme is managed by the Department for Energy Security and Net Zero ('the Department') and is delivered by the Department's non-departmental public body, Salix Finance Ltd ('Salix').

Phases 1 and 2 of the scheme provided £1.075 billion in grants over the financial years 2020/21 and 2021/22. Phase 3 of the PSDS is providing £1.425 billion of grant funding over the financial years 2022/23 to 2024/25, with a budget of £475 million for each financial year.

Phase 3 funding² is being allocated through multiple application windows. Table 1 provides a summary of the timings and allocation of the Phase 3 rounds:

Table 1: Overview of Phase 3 timings, applications and awards

	Key timings	Applications	Awards
Phase 3a	Launched October 2021. Funding provided over 2022-25.	381 applications	£613.2m awarded to 231 projects, covering 170 organisations
Phase 3b	Launched October 2022. Funding provided over 2023-25.	560 applications	£604m awarded to 231 projects, covering 183 organisations
Phase 3c	Launched October 2023. Funding provided over 2024-26.	443 applications	TBC.

¹ 'The term 'measures' is used throughout this report to refer to the technologies being installed as part of the PSDS-funded project.

² Detailed information can be found at the following: <https://www.gov.uk/government/publications/public-sector-decarbonisation-scheme-phase-3>

1.2: LCSF

The Low Carbon Skills Fund (LCSF) is a companion policy to the PSDS, also run by Salix Finance, and provides grants for public sector bodies to access skills and expertise to unlock heat decarbonisation on their estate. This is then expected to put them in a stronger position to take the next steps in decarbonising, including enabling them to develop detailed project proposals with which to apply for future grant funding for capital decarbonisation measures, such as the PSDS. Phases 2-4³ of the LCSF (£15m in 2021, £14.5m in 2022, and £17m in 2023) have funded 341 projects.

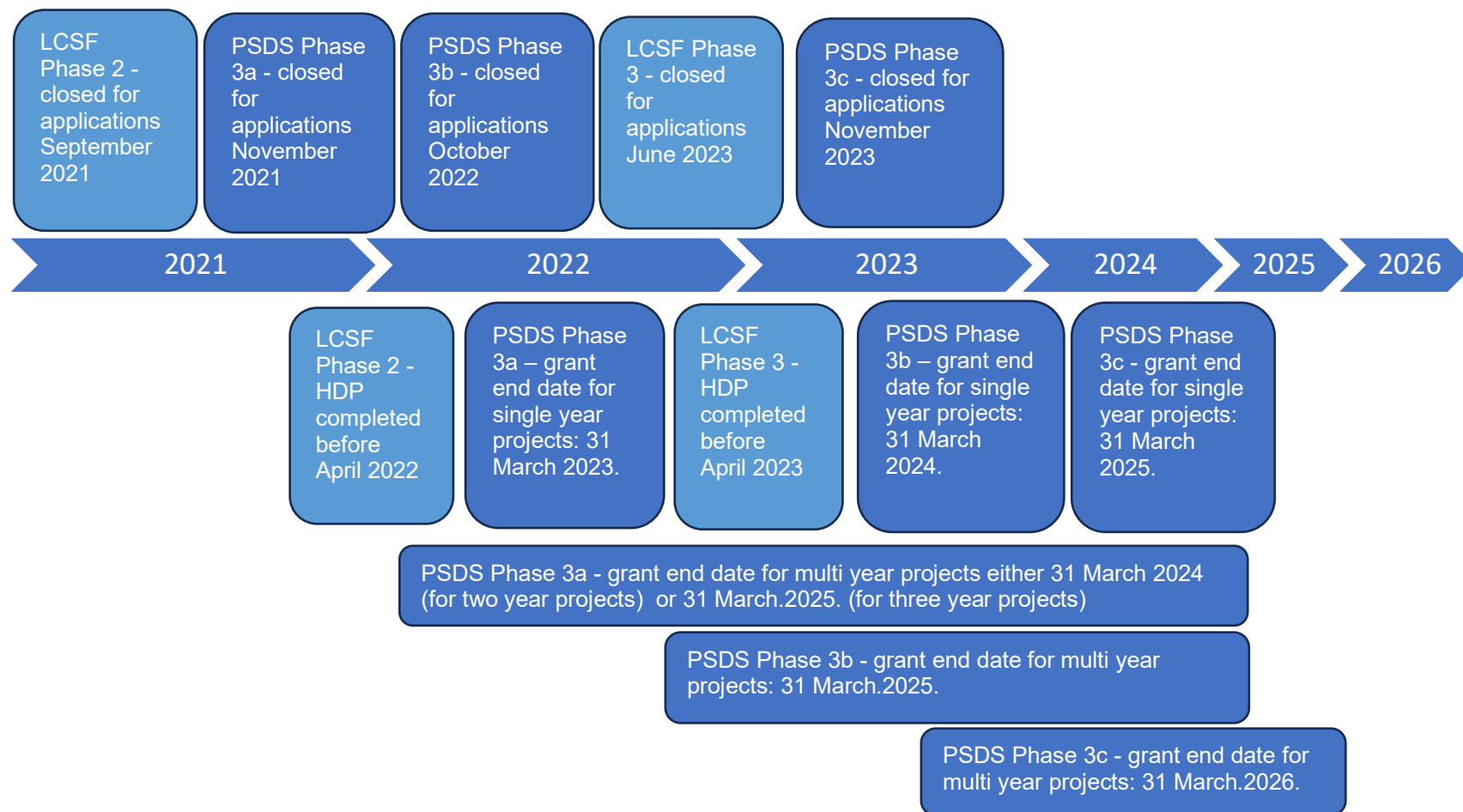
Phase 1 of the LCSF funded a broad range of support including project development, project delivery and heat decarbonisation plan support, whereas subsequent phases have been specifically intended to support the development of heat decarbonisation plans (HDPs). This ensured organisations had a robust heat decarbonisation plan to take the next steps in decarbonising.

³ More information on the LCSF – and its individual phases – can be found here: [Public Sector Low Carbon Skills Fund - GOV.UK \(www.gov.uk\)](https://www.gov.uk/public-sector-low-carbon-skills-fund)

1.3: Scheme timeline

The following diagram shows a timeline of PSDS Phase 3 and LCSF Phase 2 and 3 funding application and delivery deadlines.

Figure 1 Timeline of PSDS Phase 3 and LCSF Phase 2 and 3 funding application



1.4: Eligibility

Phases 3a and 3b were open to public sector bodies that are contracting authorities in England, as defined in the Public Contracts Regulations 2015. This covers central government departments and their non-departmental public bodies, the NHS, schools (including maintained schools and academies), emergency services, further and higher education and local authorities. Central government departments operating in areas of reserved policy (i.e., not devolved to Scottish or Welsh Governments or the Northern Ireland Executive) were also eligible to apply for funding for estates located anywhere within the UK.

To support the focus on heat decarbonisation, applicants were required to focus on replacing end-of-life fossil fuel heating systems with low carbon heating systems such as heat pumps and connections to low carbon heat networks. All applicants were required to include at least one measure to decarbonise part of or all the heating on a site. Applicants were also required to take a whole building approach to decarbonising their buildings, looking at the overall energy usage and combining energy efficiency measures with the most appropriate low carbon heating measures. This serves to reduce the size and cost of the heating system required by lowering the heat and energy requirements of the building and helps to counteract increases in running costs from the new system.

LCSF Phases 2 and 3 were open to the same public sector bodies where such bodies lacked skilled personnel needed to complete a heat decarbonisation plan. Applications for funding to either produce an entire plan or expand an existing plan were eligible for funding.

1.5: PSDS scheme design and rule changes

Eligible measures could fall into four categories:

- It was compulsory to include a low carbon heating measure that reduces direct carbon emissions, such as heat pumps, electric heating or district heating.
- Other measures that reduce direct carbon emissions could be included, such as solar thermal, building fabric upgrades, piping insulation, mechanical ventilation, and heat recovery.
- Measures that reduce indirect carbon emissions (typically through electricity savings) such as solar PV, LED lighting and energy efficient ventilation were also eligible.
- Finally, measures that do not save carbon directly, but enable the installation of measures that do, such as electrical infrastructure upgrades, metering (which also may encourage changes in energy use behaviour), and energy storage could also be included.

It should be noted that whilst inclusion of measures from the second, third and fourth groups was optional, applicants were encouraged to consider them as part of taking a 'whole building' approach to decarbonisation.

Funding was provided for the additional costs of installing a low carbon heating system over and above the costs that would be incurred replacing an existing fossil fuel system on a like-for-like basis.

Funding was available for both single-year and multi-year projects. Regardless of the project timeframe, Phase 3a grant recipients were required to at least commence project delivery in the financial year 2022/23.

The key changes in PSDS design, rules and delivery subsequent to Phase 1 were as follows:

From Phase 2 onwards:

- A greater emphasis upon funding and installation of heat decarbonisation rather than energy efficiency measures, with an expectation of applicants evidencing 'fabric first' approaches to buildings. This included energy efficiency measures being ineligible for funding if the building they were to be installed in was not served by a low carbon heating system.
- Emphasis upon replacing 'end of life' heating systems ; linked to this, a requirement for applicants to contribute to projects the amount it would have cost to replace their 'end of life' heating system with 'like for like' technology.
- Reduction of the Carbon Cost Threshold (CCT) from £500/tCO₂ in Phase 1 to £325/tCO₂ in Phases 2 and 3.

From Phase 3a onwards:

- A separate allocation of funding for 'multi-year' projects; 15% of the budget in 2022/23 was set aside for larger and more complex projects where the heating system is expected to come to the end of its working life in 2023/24 or 2024/25 and / or where building fabric measures need to be completed in advance.
- Removal of the maximum funding caps, i.e. the amount that could be awarded per project. However, these were only in place for Phase 2 of the PSDS as this was a much smaller allocation of funding; they were not in place in Phase 1.

From Phase 3b onwards:

- The introduction of 'soft sector caps' to support the allocation of funding across the public sector broadly in line with the distribution of carbon emissions across the public sector. Soft sector caps were implemented across three areas of the public sector: health, education, and all remaining sectors including local authorities. An upper limit to all sector caps was set at 35% of the total phase 3b budget. Under this approach, the maximum funding a sector could be allocated was 35% and no sector's soft cap allocated funding could be lower than 30% of total Phase 3b funding. The introduction and encouragement of 'planning years' for applicant projects that may not be ready to commence works on site within the 'single year' timeframes. Organisations were able to apply for funding for the financial year 2024/25 only, allowing them to use the 2023/24

financial year to plan their project to better enable successful implementation during the subsequent financial year

Phase 3c will be covered in subsequent stages of the evaluation.

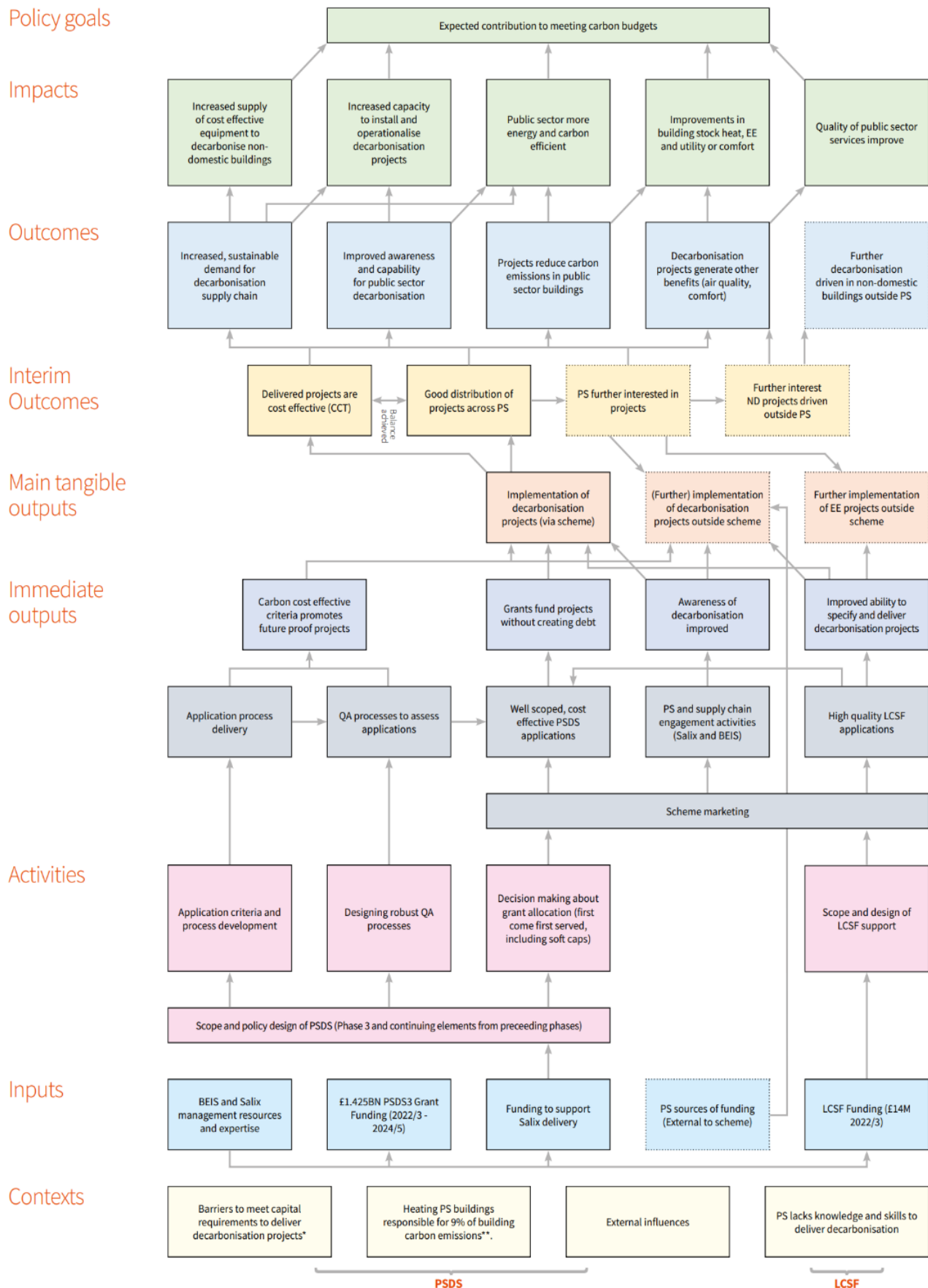
2: Theory of Change

A detailed Theory of Change (ToC) was developed as part of the earlier evaluation of PSDS and LCSF Phase 1. This ToC has been refined for the current evaluation following review of documentation provided by the Department and two workshops held in December 2022 - one with the Department and the other with representatives from Salix. The key questions were:

- How does scheme design and delivery (including recent changes) influence well-scoped, cost-effective applications for grant funding, that deliver the desired outcomes?
- What external factors influence PSDS and LCSF take up, and what kind of influence are they likely to have?
- What are the desired outcomes and impacts? What needs to happen for these to be achieved at the desired scale?

The Phase 3 ToC describes how the schemes are intended to work and the assumptions underlying this. These assumptions can then be tested throughout the evaluation to provide further understanding of whether, to what extent, and why the theorised links, from scheme inputs through to impacts, are / are not being observed.

Figure 2 Theory of Change (ToC) – Public Sector Decarbonisation Fund (PSDS and Low Carbon Skills Fund (LCSF)



Key

□ Solid lines between boxes represent elements directly influenced by the scheme.

▤ Dotted lines represent additional elements, likely to be indirectly influenced by the scheme.

Terms

LCSF = Low Carbon Skills Fund

PSDS = Public Sector Decarbonisation Fund

CCT = Carbon cost threshold (set at £325/tCO₂e at time of delivery).

QA = Quality assurance.

PS = Public sector.

EE = Energy Efficiency

ND = Non-domestic

* Heat decarbonisation measures are generally more expensive to install and to run than fossil fuel alternatives. Furthermore, many public sector bodies are facing specific barriers to taking on loans to support capital projects.

** BEIS (2021) 'Final UK Greenhouse gas emissions national statistics: 1990 to 2019'
<https://www.gov.uk/government/statistics/final-uk-greenhouse-gas-emissions-national-statistics-1990-to-2019>.

2.1: Assumptions

Theory of change assumptions include necessary conditions for change that need to exist for change to occur. There are several assumptions underlying each stage of the ToC, which are presented in the table below. These include descriptions of potential issues or challenges underlying the assumptions, which could impede delivery of the scheme and its desired outputs, outcomes and impacts.

Table 1 Assumptions underlying the ToC

ToC level	Assumption	Description of possible issues / challenges to the assumption
Policy goals / impacts	Estimated carbon savings are delivered	A concern is that due to scheme and delivery challenges, projects do not deliver at the scale required to meet estimated carbon savings (or projects do not deliver as much carbon savings as expected by the scheme).
Policy goals / impacts	Additional benefits are delivered (e.g. reduced energy demand, more comfortable buildings etc.)	Additional benefits are of secondary importance to the scheme but can be key priorities for public sector bodies applying to the scheme. If projects do not deliver these benefits, the scheme will likely suffer in terms of its legitimacy and attractiveness to the public sector.
Policy goals / impacts	Strong supply chain requires both equipment (e.g. heat pumps availability) and installation capacity (e.g. qualified installers)	Measuring strengthened supply chain requires understanding / observation of 1) increased supply of cost-effective decarbonisation equipment and 2) installation and operationalisation skills and capacity.
Policy goals / impacts	Measures perform as expected (in terms of operation and energy / carbon benefits)	There are risks that measures do not perform (technical performance) as expected, which would limit carbon emissions reductions and other benefits.

ToC level	Assumption	Description of possible issues / challenges to the assumption
Policy goals / impacts	Measures are operated as expected, thereby delivering decarbonisation potential	Some measures, such as heat pumps, are susceptible to poor performance if they are not managed and operated as expected in practice - e.g. by facilities managers. This is distinct from technical performance of measures.
Outputs / interim outcomes	A 'whole buildings' approach is achieved, thereby delivering decarbonisation goals effectively	Carbon cost thresholds and other project eligibility criteria result in impactful and cost effective projects). There is a risk that scheme design elements (e.g. funding delivery windows) may mitigate the extent to which this is achieved. The precise definition of a whole building approach and means by which this is measured is subject to further scoping within evaluation planning.
Outputs / interim outcomes	Measures are correctly installed	Installers may not implement measures correctly, which would limit scheme described outcomes and public sector benefits.
Outputs / interim outcomes	Sufficient suppliers with skills needed to deliver projects	There are concerns that the supply chain (both for PSDS and LCSF) is not sufficiently able to deliver projects at pace and scale required. Uneven project timescales, costs of accessing certain skills, and other project constraints, as well as limited future funding, may confound supply chain ability to respond.
Outputs / interim outcomes	Sufficient equipment (e.g. heat pumps) and materials (e.g. energy efficiency measures or ancillary materials) at appropriate scales available	Sufficiently sized heat pumps (and their ancillary equipment) may be in short supply (and have inflated costs) which can slow or stop delivery. Factors might include wider inflation / cost of living challenges.

ToC level	Assumption	Description of possible issues / challenges to the assumption
Outputs / interim outcomes	Applicant organisations have skills and resources to manage project delivery	LCSF, or other sources of support, currently have limited scope to support skills and resource requirements within public sector bodies, which are known to be important to enable sufficient and timely project scoping and delivery.
Outputs / interim outcomes	Measures are installed in a timely manner	If project delivery slips, funding timing constraints will have a significant detrimental effect on achieving desired outcomes (e.g. projects drop out).
Outputs / interim outcomes	Successful project delivery supports further decarbonisation actions	PSDS scheme delivery builds further interest and appetite for decarbonisation (and energy demand reduction) amongst public sector bodies.
Activities / outputs	Scheme supports organisations delivering decarbonisation projects via other routes	LCSF funding can allow an organisation to put together a well-scoped and appropriate project and bid for PSDS funding accordingly but does not directly affect project delivery beyond this. As such, LCSF may directly support PSDS take up (in the short or longer term) or support decarbonisation action outside of the scheme. There is a possible concern that PSDS could constrain activity outside of the scheme due to its scale (and lack of potential alternative funding routes).
Activities / outputs	Project application QA supports robust applications that deliver intended outcomes	Beyond standard application QA processes, Salix is observing considerable 'optimism bias' amongst applications, which means applicants need further guidance / assistance and interventions to support the deliverability of projects on time and to budget.

ToC level	Assumption	Description of possible issues / challenges to the assumption
Activities / outputs	Carbon Cost Threshold supports cost effective whole building approach applications	The CCT has been held at £325/tC across all projects. There is interest to understand whether this effectively supports whole building approach and cost-effective decarbonisation, or whether further developments could improve this.
Activities / outputs	Applicant organisations have access to skills and resources to identify, develop and procure projects	For some applicants the feasibility of delivering heat decarbonisation in practice (e.g. planning work, exploring consequential works, such as DNO implications) often does not become fully evident until grant funding is allocated, which appears to have significant influence on projects abandoning. Better understanding what is needed, for different types of applicant organisations, to mitigate drop out for these reasons would be helpful. LCSF is designed as an enabler for PSDS, however it is not a pre-requisite to PSDS projects, especially for those with sufficient technical capabilities to progress projects.
Activities / outputs	Budgetary 'soft caps' help support equitable distribution of funding across public sector	There is a tension between the economic efficiency of the scheme and its equitable delivery across the scheme and an appropriate balance needs to be struck between them.
Activities / outputs	Access to multi-year funding increases demand as having more than one year to deliver makes more retrofit projects feasible.	This is the intent of making multi-year funding available, however the assumption may not bear out in practice. For example there is anecdotal evidence that the public sector may be reluctant to take on multi-year funding as there are additional risks associated with these for them (e.g. committing to spending their own funding across financial years).

ToC level	Assumption	Description of possible issues / challenges to the assumption
Activities / outputs	Multi-year projects increase number and/or scale of projects. This may affect take-up / allocation of single year projects.	Ability to commit multi-years has freed up to a certain extent post-pandemic. Multi-year should enable less rushed and lower risk project delivery. However, the extent of these benefits may be affected by constraints on grant per financial year within multi-year allocations. The Department controlled multi-year take up in Phase 3a (15% cap for the first financial year), which has been changed for Phase 3b (with no cap on the proportion allocated to single, planning and multi-year projects across 2023/4 and 2024/5), the effects of which will be useful to understand.
Activities / outputs	Budget is sufficient to mobilise decarbonisation projects at the scale required to deliver estimated carbon savings	<p>Budget secured from the business case application and is similar in scale to Phase 1 PSDS (Approx <=£500m per annum). Analysis of Public Sector decarbonisation potential suggests that for realisation of 2032 and 2037 targets, larger scale funds will be needed⁴.</p> <p>Furthermore, observed funding application carbon reduction benefits are below the scale range of that assumed by the Department in their modelling, which is a concern and insights to better understand why that is occurring would be beneficial.</p>
Activities / outputs	Funding is allocated in a manner which supports delivery of policy goals	Funding is allocated on a 'first come first served' basis ⁵ . This means applications meet policy objectives (via eligibility criteria) and enables funding to be allocated at pace. However, it also, despite the soft sector caps, can mean projects are not selected on potential impact, and may lead to applicants prioritising speed / simplicity over quality / impact.

⁴ Wain, P (2022) The cost of decarbonising UK public sector buildings is estimated to be £25-30bn, government figures show. BBC News article, 5th November 2022. <https://www.bbc.co.uk/news/uk-politics-63514562>

⁵ This approach to the PSDS to date has been as follows: applications were reviewed in the order they were received. Assuming they were eligible / compliant, the applicant was offered funding (though not necessarily the amount requested in the application). If there were queries / concerns on the project arising from the review, these were raised with the applicant organisation and either resolved, or the application was abandoned / rejected. This process continued, with reviews commencing in the order of applications received, until the funding for that Phase was allocated.

ToC level	Assumption	Description of possible issues / challenges to the assumption
Contexts / inputs	Pre-release of scheme and application guidance helps support high quality, timely applications	Both the timing and content of application guidance is likely to enable better planning and timely development of high-quality applications.
Contexts / inputs	Eligible organisations are sufficiently aware of the scheme and what they need to do to apply	There is high demand for PSDS funding, which suggests good awareness in the public sector. However, take up varies across sectors (and geographies) and it is less clear how well known the scheme is amongst some sub-sectors (e.g. schools, smaller public sector bodies) and in some geographies.
Contexts / inputs	Applicant organisations are able and willing to apply for the schemes	There may be other barriers to applying which influence some public sector bodies' appetite for applying for the scheme. This covers both the desirability of the scheme, as well as their capacity to be able to apply.
Contexts / inputs	Applicant organisations are motivated to install decarbonisation measures	High demand (influenced likely by PSDS and other influences ⁶) suggests motivation is there. PSDS funding may amplify decarbonisation activity by enabling leverage of other funding, which could otherwise be used for other purposes. Conversely, PSDS may negatively influence demand as public sector may put projects on hold to wait for future PSDS rounds (e.g. as opposed to exploring other funding routes).

⁶ Such as Public Sector Net Zero Commitments.

3: The evaluation of the PSDS and LCSF

3.1: Overview and aims

The Department is conducting monitoring and evaluation concurrent with delivery of Phase 3 of the PSDS, covering Phases 2, 3a, 3b and 3c. A consortium - comprising Winning Moves Ltd., CAG Consultants, and UCL – is conducting a process, impact and economic evaluation of the scheme. The evaluation will comprise multiple further stages of data collection and analysis with an increasing focus on impact.

The main purpose of the evaluation is to determine the extent to which PSDS has enabled public sector decarbonisation, and the commensurate impact on carbon emissions, as well as any impacts on the supply chain and skills. For LCSF, the evaluation is considering the scheme role in supporting the development of heat decarbonisation plans, its role in addressing capacity and capability constraints and how well, or otherwise, it has worked together with PSDS.

Process evaluation

The process evaluation aims to understand how the scheme develops from the initial setup through to the final delivery of projects, determining what happens during the scheme implementation, how the scheme design and administration have supported delivery of the PSDS aims and what worked more (or less) well and why. It will address three high-level questions (HLQs):

- HLQ 1: How effective is the application process and scheme delivery for Phase 3 of the PSDS, and Phases 2 and 3 of the LCSF?
- HLQ 2: How have the changes from Phases 1 and 2 of the PSDS (and any further changes between Phase 3 subphases) affected the delivery of the scheme and responses to it?
- HLQ 3: What are the wider lessons for the scheme and for energy policy for the public sector?

These three questions were the focus of the interim process evaluation report to which this technical annex is linked.

Outcome and impact evaluation

The outcome and impact evaluation will assess the extent to which the scheme's benefits have been achieved and will address the following three high-level questions:

- HLQ 4: How have the PSDS and LCSF contributed to understanding, awareness, perceptions and behaviours of decarbonisation in the public sector?
- HLQ 5: How have the schemes affected the low carbon supply chain?
- HLQ 6: What benefits have been achieved by the schemes for the public sector (carbon and energy savings, air quality impacts etc.)?

Economic evaluation

The economic evaluation will aim to monetise the outcomes of the scheme and address the following high-level question:

- HLQ 7: To what extent did the schemes deliver energy efficiency and low carbon heat installations which represented good value for money?

The original evaluation questions set out in the specification were reviewed by the contracted evaluation team. Some proposed revisions were then discussed and agreed with the Department with the aims of minimising duplication, clarifying wording (and therefore the intended insight), and ensuring there were no gaps.

Across the evaluation, four key data sources are being used: scheme application and monitoring data and relevant documentation, information from programme team and policy representatives, data from qualitative and quantitative interviews with a range of stakeholders⁷, and wider external data sources such as ND-NEED⁸.

These data sources were selected with the aim of (a) minimising duplication of effort – and respondent burden – where data may already be held; (b) ensuring that interviews / primary data collection are focused on questions that the scheme data cannot fully answer; (c) ensuring coverage of questions from a range of (potentially differing) perspectives.

⁷ Single and Multi Year PSDS and LCSF grant recipients, unsuccessful applicants, eligible non-applicants, contractors working on PSDS and LCSF funded projects, wider supply chain representatives, Department and Salix representatives, and technical assessors contributing to the application assessment process.

⁸ The Non-Domestic National Energy Efficiency Data-Framework provides an insight into the electricity and gas consumption/intensity of non-domestic buildings in England and Wales (split by sector, building size and occupying business size) and how this has changed over time.

The following table shows the evaluation questions that will be answered by the various elements of the evaluation⁹.

Table 2 Full set of evaluation questions

Evaluation questions	Data review	Qualitative interviews and workshops with programme team / policy reps	Qualitative interviews with applicants, recipients, eligible non-applicants and contractors	Quantitative surveys of grant recipients
HLQ1: How effective is the application process and scheme delivery for Phase 3 of the PSDS and Phases 2 and 3 of LCSF?				
Overall				
1.1 Have the schemes activities (application, assessment and monitoring) been implemented as intended? If not, how and why?	Yes	Yes	Yes	
1.2 How effective has Salix delivery been throughout the scheme – application stage, ongoing monitoring, and communications throughout?	Yes	Yes	Yes	

⁹ Quasi-Experimental Analysis (QEA) is planned to be delivered in later stages of the evaluation to address impact and economic evaluation questions.

Evaluation questions	Data review	Qualitative interviews and workshops with programme team / policy reps	Qualitative interviews with applicants, recipients and contractors	Quantitative survey of grant recipients
1.3 For each of PSDS and LCSF: Were there any trends - including in comparison to previous phases - in the profile of applications: (a) the types of organisations applying for the scheme; (b) the types of organisations that received funding; (c) the buildings and measures / measure mixes in applications; (d) the projects that received funding; (e) the costs of projects and the values of funding applied for (vs internal funding). What seem to be the reasons for major differences between Phases?	Yes	Yes	Yes	
1.4 Are there trends in the type and mix of measures being applied for by different types of organisation?	Yes	Yes	Yes	
Scheme promotion				
1.5 How effectively was the scheme promoted to eligible organisations (particularly those new to PSDS) in terms of (a) raising awareness; (b) explaining scheme rules and eligibility; (c) explaining the application and project delivery process; (d) encouraging applications. How did this vary across organisation profiles?	Yes	Yes	Yes	

Evaluation questions	Data review	Qualitative interviews and workshops with programme team / policy reps	Qualitative interviews with applicants, recipients and contractors	Quantitative survey of grant recipients
Application process				
1.6 What were applicants' experiences of the application process to receive a grant (e.g. guidance provided, level of burden in applying, the process of submitting the application)?			Yes	
1.7 What motivated public sector organisations to apply to the scheme? And on what basis did they opt for single or multiple year projects / applications?			Yes	
1.8 Were there any particular barriers to / reservations about applying? Were these overcome and if so, how? Why have some organisations not applied to the scheme and how does this vary across sectors?	Yes		Yes	

Evaluation questions	Data review	Qualitative interviews and workshops with programme team / policy reps	Qualitative interviews with applicants, recipients and contractors	Quantitative survey of grant recipients
<p>1.9 What was the rationale for the projects that organisations applied for? How, and to what extent, were the following factors an influence on project design (including the sizing of heating systems)?</p> <ul style="list-style-type: none"> - Applicant organisation priorities? - PSDS rules / criteria (including eligibility and timing)? [See HLQ2] - The capacity (skills and resources) of the supply chain? - The capacity (skills and resources) of the applicant organisation? - Other external factors (e.g. energy prices)? <p>Were there projects that organisations considered and rejected and why?</p>	Yes	Yes	Yes	

Evaluation questions	Data review	Qualitative interviews and workshops with programme team / policy reps	Qualitative interviews with applicants, recipients and contractors	Quantitative survey of grant recipients
1.10 How did PSDS applicants approach the sizing of new heating systems?		Yes	Yes	
1.11 How has LCSF been used to support the development of PSDS applications? How has it enabled cost-effective projects to come forward?	Yes	Yes	Yes	Yes

Funding awards				
1.12 How have the parameters for grant award allocation (first come first served, including soft caps) affected which organisations and which projects get funded?	Yes	Yes		
1.13 What percentage of PSDS applications are applying as multi-year projects and of these how many are being approved? Are there any differences in the value of applications for multi-year projects compared to single-year projects (for the first financial year of each sub-phase)? If so, why?	Yes			

Evaluation questions	Data review	Qualitative interviews and workshops with programme team / policy reps	Qualitative interviews with applicants, recipients and contractors	Quantitative survey of grant recipients
Scheme/ project delivery				
<p>1.14 To what extent were projects delivered as planned / applied for? To what extent have the following factors affected project delivery:</p> <ul style="list-style-type: none"> - Supply chain capacity (skills and resources)? - Price rises? - Challenges on the site / in buildings? - Challenges within the grant recipient organisation (e.g. resources and decision making)? - Other external factors (e.g. weather, planning permission)? 	Yes	Yes	Yes	Yes
<p>1.15 Are there any barriers/challenges experienced by organisations in delivering quality projects? If so, what are they and how do they differ by organisation type?</p>		Yes	Yes	Yes

Evaluation questions	Data review	Qualitative interviews and workshops with programme team / policy reps	Qualitative interviews with applicants, recipients and contractors	Quantitative survey of grant recipients
1.16 What were grant recipients' experiences of project delivery/the installation process? How did it affect building accessibility and functionality for service users?		Yes	Yes	Yes
1.17 What risks to project delivery were considered in the application process and during project delivery and how were they managed and / or mitigated? How were these risks identified? To what extent did expectations of risk match delivery experience?		Yes	Yes	
1.18 How has LCSF been used to aid the delivery of projects funded by PSDS (including the sizing of new heating systems)? How effectively has it addressed skills gaps?	Yes	Yes	Yes	Yes
1.19 How has LCSF been used to support the development of heat decarbonisation plans? What were the respective roles of the organisations and consultants in generating the plan?	Yes	Yes	Yes	Yes

Evaluation questions	Data review	Qualitative interviews and workshops with programme team / policy reps	Qualitative interviews with applicants, recipients and contractors	Quantitative survey of grant recipients
Wider decarbonisation activities				
1.20 How, if at all, have applicants to PSDS who did not receive funding addressed their planned decarbonisation strategies?			Yes	
1.21 How, if at all, have applicants to the LCSF who did not receive PSDS funding addressed their planned decarbonisation strategies?			Yes	
HLQ2: How have the changes from Phases 1 and 2 of the PSDS (and any further changes between Phase 3 subphases) affected the delivery of the scheme and responses to it?				
2.1 How has the change from previous phases (Phase 1) in threshold for cost per tonne of carbon saved affected and shaped project applications? How have applicants approached the threshold for cost per tonne of carbon (in terms of building / measure selection and monetary contribution to projects) and how has it been received by Phase 3 grant recipients?	Yes	Yes	Yes	

Evaluation questions	Data review	Qualitative interviews and workshops with programme team / policy reps	Qualitative interviews with applicants, recipients and contractors	Quantitative survey of grant recipients
2.2 How did applicants view the inclusion of technologies that were not previously eligible under Phase 1 of the scheme (including biomass and onshore wind)? What was the take-up of these technologies under Phase 3 of the PSDS?	Yes	Yes	Yes	
2.3 To what extent, and how, have grant recipients used bundling?	Yes	Yes	Yes	
2.4 How has the 'whole building' approach shaped applications?	Yes	Yes	Yes	
2.5 How has the inclusion of multi-year projects and planning years affected delivery? What are the experiences of multi-year grant recipients and how do they differ from single-year grant recipients?	Yes	Yes	Yes	
2.6 How has Salix changed its processes to adapt to changes in eligibility requirements and scheme design?		Yes	Yes	

Evaluation questions	Data review	Qualitative interviews and workshops with programme team / policy reps	Qualitative interviews with applicants, recipients and contractors	Quantitative survey of grant recipients
2.7 How have conversations with Salix about the deliverability of projects been received and how have they affected actual deliverability and project timings?		Yes	Yes	
HLQ3: What are the wider lessons for the scheme and for energy policy for the public sector?				
3.1 Were there any unexpected considerations around installing measures in sites, and if so, what were they?		Yes	Yes	Yes
3.2 What did participants learn through the process of developing a heat decarbonisation plan? Was any of this learning unexpected?			Yes	
3.3 Are there any ways in which the PSDS / LCSF can better support decarbonisation of the public sector?	Yes	Yes	Yes	Yes
3.4 What further support is needed to progress decarbonisation of the public sector?		Yes	Yes	Yes

Evaluation questions	Data review	Qualitative interviews and workshops with programme team / policy reps	Qualitative interviews with applicants, recipients and contractors	Quantitative survey of grant recipients
3.5 What learning can the Department apply to future public sector and wider energy policy development and scheme design?		Yes	Yes	Yes
3.6 How does the PSDS and LCSF fit within the wider policy landscape? Are there any interactions with any Department for Energy Security and Net Zero policies or other government funding available to public sector organisations?		Yes	Yes	Yes
HLQ4: How have the PSDS and LCSF contributed to understanding, awareness, perceptions and behaviours of decarbonisation in the public sector?				
4.1 Have the schemes facilitated any additional, unfunded decarbonisation activities and/or led to further decarbonisation ambitions? If so, how?			Yes	
4.2 To what extent do applicants understand decarbonisation? What have been the changes to understanding, awareness, perceptions and aspirations around decarbonisation? How has this been influenced by the schemes? How does it differ across grant recipient sectors (e.g. schools, NHS Trusts)?		Yes	Yes	

Evaluation questions	Data review	Qualitative interviews and workshops with programme team / policy reps	Qualitative interviews with applicants, recipients and contractors	Quantitative survey of grant recipients
4.3 What assumptions are public sector organisations making about PSDS funding in the future? How is this affecting their future planning for use of PSDS and decarbonisation?			Yes	
HLQ5: How have the schemes affected the low carbon supply chain?				
5.1 How has the low carbon supply chain (for both PSDS and LCSF) responded to the schemes? How is it developing and adapting to meet demands?		Yes		
5.2 Are there any barriers/challenges experienced by the low carbon contractors/installers in delivering projects funded by the schemes (e.g. capability, capacity, process issues, supply chain issues, etc)? If so, what are they?			Yes	
5.3 What are installers' experiences of implementation of decarbonisation projects via the scheme?			Yes	

Evaluation questions	Data review	Qualitative interviews and workshops with programme team / policy reps	Qualitative interviews with applicants, recipients and contractors	Quantitative survey of grant recipients
HLQ6: What benefits have been achieved by the schemes for the public sector (carbon and energy savings, etc.)?				
PSDS Phase 3				
6.1 What benefits have been achieved by the schemes (carbon and energy savings, air quality etc.)?	Yes	Yes	Yes	Yes
6.2 How have changes (e.g. inclusion of multi-year projects, all new policy levers) from previous phases of the scheme (including changes within Phase 3 subphases) affected outcomes and impacts (such as carbon savings)?	Yes	Yes	Yes	
6.3 To what extent are the impacts (e.g. carbon savings) of the scheme additional to what would have happened in its absence?	Yes		Yes	Yes
6.4 Have there been any unforeseen impacts (positive and/or negative)?	Yes	Yes	Yes	Yes

Evaluation questions	Data review	Qualitative interviews and workshops with programme team / policy reps	Qualitative interviews with applicants, recipients and contractors	Quantitative survey of grant recipients
6.5 Are the public sector taking a leadership role in decarbonisation of buildings? What is the influence of the schemes on this?		Yes	Yes	Yes
PSDS Phase 2				
6.6 What benefits have been achieved by the scheme (carbon and energy savings, etc.)?	Yes	Yes	Yes	Yes
6.7 To what extent are the impacts (e.g. carbon savings) of Phase 2 additional to what would have happened in its absence?	Yes		Yes	Yes
HLQ7: To what extent did the schemes deliver energy efficiency and low carbon heat installations which represented good value for money?				
7.1 What are the monetisable benefits of PSDS and LCSF? On energy costs in particular, what price changes have participants seen in the last twelve months?	Yes		Yes	Yes

Evaluation questions	Data review	Qualitative interviews and workshops with programme team / policy reps	Qualitative interviews with applicants, recipients and contractors	Quantitative survey of grant recipients
7.2 How cost-effective is the scheme (for participants, society and government)?	Yes	Yes	Yes	
7.3 What is the average cost of installing specific technologies / measures in sites? How does this vary by measure or organisation type?	Yes		Yes	
7.4 What costs are incurred by the different actors involved in the scheme (i.e. costs to government, applicants, installers or society) and how much are the costs?	Yes	Yes	Yes	Yes
7.5 How and why have project costs changed over time: (a) since PSDS Phase 1; (b) from application to delivery? To what extent has PSDS influenced price and cost changes?	Yes		Yes	
7.6 Have there been any co-benefits of the scheme (i.e. building comfort, air quality, improved quality of public services, culture of decarbonisation, increased capacity and capability)?			Yes	Yes
7.7 How did value for money vary across projects (i.e. organisations, technologies used, geographical regions)?	Yes		Yes	

Evaluation questions	Data review	Qualitative interviews and workshops with programme team / policy reps	Qualitative interviews with applicants, recipients and contractors	Quantitative survey of grant recipients
7.8 How has the nature of multi-year projects influenced value for money?	Yes		Yes	
7.9 What is the difference in value for money between Phases (including subphases) of the scheme? If there are differences, what is the reason for them?	Yes	Yes	Yes	
7.10 What are the key factors in delivering value for money through the PSDS scheme?	Yes	Yes	Yes	

3.3: Timeline

The evaluation is being undertaken in two stages and combines a process evaluation and an impact and economic evaluation. Stage 1 has been a predominantly process-focused evaluation and ran from October 2022 through to March 2024. Stage 2 will combine an impact and economic evaluation with an ongoing process evaluation from 2024 onwards.

The following chart summarises the broad stages and timings of the evaluation:

Table 3 Evaluation timeline



This report is the technical methodology annex that accompanies the Stage 1, process focused, interim report produced in March 2024. Whilst the report itself drew upon findings

from both waves of Stage 1, this annex focuses particularly on the research instruments and methodological decisions of the second, more recent wave¹⁰.

3.4: Evaluation team

The evaluation team comprises three organisations; their roles are as follows:

Figure 3 Evaluation team and roles

CAG	Winning Moves	UCL
<ul style="list-style-type: none">• Responsible for design, delivery and analysis of qualitative interviews; particularly with multi-year projects and the supply chain.	<ul style="list-style-type: none">• The lead contractor, with responsibility for project management, the Theory of Change, the overall evaluation and analysis plan, quantitative surveys, qualitative research with participants and overall evidence synthesis and dissemination.	<ul style="list-style-type: none">• Responsible for the quasi-experimental analysis (QEA) and cost-benefit analysis (CBA), working with Winning Moves to scope the impact and economic evaluations

¹⁰ The research instruments utilised in Stage 1 Wave 1 are provided in the technical annex accompanying the 2023 interim report.

4: Stage 1 process evaluation activity

Stage 1 of the evaluation covers Phases 3a and 3b of the PSDS and Phases 2 and 3 of the LCSF. Stage 1 comprised two ‘waves’, predominantly process focused, taking place between January - June 2023, and September 2023 – April 2024.

The key question areas explored for this Stage 1 interim report, and the Evaluation Questions they pertain to, were as follows:

- The effectiveness of the delivery of Phase 3a of the PSDS¹¹, including the launch and application process, award process, monitoring, and Salix management overall [EQs 1.1, 1.2, 1.5, 1.6, 1.8, 2.6, 2.7, 3.5].
- Why organisations applied for funding i.e. the importance of PSDS to the project and what would have happened in its absence [EQs 1.7, 1.8, 1.20, 6.3].
- How applicants formulated projects, including measure and building selection, consideration of – and preparation for – risks to delivery, and approaches to procurement [EQs 1.4, 1.9, 1.10, 1.11, 1.17, 2.1, 2.2, 2.3, 2.4, 2.5, 2.7]
- How LCSF supported the development of organisations’ HDPs, and informed applications to PSDS [EQs 1.11, 1.19, 1.21, 3.2, 3.3].
- Grant recipient experiences of the delivery of funded projects, including challenges encountered (both expected and unforeseen), mitigations of those challenges, and success factors [EQs 1.14, 1.15, 1.16, 1.17, 1.18].
- Stakeholder views on – and evidence of the effects of – changes to PSDS rules between Phase 1 and Phase 3 [EQs 1.3, 1.9, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7].
- Wider lessons for the scheme and for energy policy for the public sector [EQs 3.1, 3.2, 3.3, 3.4, 3.5, 3.6].

Stage 1 Wave 2 included a quantitative survey of Phase 3a ‘Single Year’ grant recipients, which explored early outcomes being realised by completed projects.

¹¹ And, where relevant, for Phase 2 of the LCSF.

4.1: Primary research / interviews (conducted September 2023 – April 2024)

A key element of Stage 1 of the evaluation was qualitative primary research – in depth interviews and workshops with a number of respondent groups.

Mode

All interviews and workshops were conducted as Microsoft Teams calls. The exception was quantitative survey of Phase 3a single year grant recipients, comprising telephone calls.

Qualitative interviews utilised topic guides comprising key questions and further probes, sometimes depending on respondent answers. Topic guides were also produced for workshops, but these comprised fewer and broader questions to allow for more discussion and multiple contributions.

Sampling

All applicant and contractor contact details were provided by the Department. In order to select a sample for interview, the following data sources were reviewed and analysed:

- The database of applications submitted for Phase 3b funding.
- The database of awards of Phase 3a and 3b funding.
- The Salix project progress / monitoring database (reporting project status as of the end of February 2023).
- PSDS and LCSF guidance documents, application forms and funding summaries.

The sample – for both public sector organisations and project delivery contractors – was then selected and recruited to achieve a range of respondent profiles across sectors, regions and project values.

Sample sizes for the various respondent groups were proposed and agreed with the Department. Within the overall context of the evaluation budget, sample sizes were designed to ensure, within each group, a spread of organisational and (if relevant) project profiles¹², balanced with consideration of the number and importance of the evaluation questions each group was expected to address¹³.

Recruitment and respondent roles

For grant recipients, contractors and unsuccessful applicants, the named 'lead contact' in the Department / Salix databases was recruited directly; this usually comprised an initial email setting out the purpose of the interview, with follow up telephone calls if there was no response. Within larger public sector organisations, respondents tended to be a specialist

¹² For example, the scale of the project (implied by the cost / grant award) and the measures included.

¹³ For example, grant recipients would be expected to provide insight on a large number of the EQs, and the number of interviews with this group across the evaluation reflects that.

energy manager (or similar). Within smaller organisations, respondents tended to be in a more general management or director role.

Eligible non-applicants were usually recruited by telephone; as there was usually no clear individual contact for these organisations. Recruiters asked (in the first instance at least) to speak to someone in the sort of roles found for lead contacts. In some cases, once the full purpose of the call was explained, the originally nominated person recommended a colleague.

The following table shows the respondents interviewed across Stage 1 and an overview of the main topics covered with each:

Table 4 Sample interviewed

Description of evaluation element
<p>Single year grant recipients</p> <p>Wave 1 - 41 interviews with named 'project leads' in organisations that were awarded funding for single year projects in Phase 3a of the PSDS. These explored their experiences of project design, applications and delivery. Interviews covered leads of 26 single-year projects that received only PSDS funding, and 15 single-year projects that were recorded as also having received funding in Phase 2 of the LCSF. In addition, two focus groups / workshops (attended by 14 organisations in total¹⁴) were conducted with grant recipients to explore more overarching questions around PSDS rules and policy to support decarbonisation.</p> <p>Wave 2 - 30 qualitative interviews with named 'project leads' in organisations that were awarded funding for single year projects in Phase 3b of the PSDS, 10 of which also received LCSF Phase 3 funding. These explored their experiences of project design, applications and delivery. In addition, one focus group (attended by representatives of 4 grant recipient organisations) was conducted with grant recipients¹⁵ to explore more overarching questions around PSDS rules and policy to support decarbonisation. Wave 2 also included a quantitative telephone survey of 67 single year projects¹⁶ funded in Phase 3a, exploring project progress and any early observed outcomes. Finally, six interviews were conducted with 'abandoned' projects across Phases 3a and 3b.</p> <p>Multi-year grant recipients – throughout the evaluation, data to inform case studies of multi-year funded projects will be collected through a series of interviews with key stakeholders on each project.</p> <p>Wave 1 - initial interviews were conducted with 14 stakeholders (including the lead of the grant recipient organisation) across five Phase 3a funded projects. These explored</p>

¹⁴ To avoid overburdening respondents, and to maximise coverage of the recipient population, it was ensured that these attendees were not those that had already been interviewed individually.

¹⁵ Again, not those that had already been interviewed.

¹⁶ Sector breakdowns of this respondent group can be found in the separate document containing survey data tables.

similar areas to the interviews with single year recipients, though with some discussion of the benefits / importance of the multi-year option.

Wave 2 – initial interviews were conducted with stakeholders (including the lead of the grant recipient organisation) across ten Phase 3b funded projects; the interviews explored the same areas as the initial interviews with grant recipients of Phase 3a funded multi-year projects. Alongside these, follow-up interviews were conducted with stakeholders across the Phase 3a multi-year projects covered in Wave 1. These interviews explored project progress, successes and challenges.

Planning year grant recipients

Wave 1 – no interviews were conducted with this group as Wave 1 focused upon Phase 3a and funding for a ‘planning year’ was not available.

Wave 2 – Five interviews were conducted with stakeholders (including the lead of the grant recipient organisation) across five Phase 3b funded projects. These explored similar areas to the interviews with single year grant recipients, though with some discussion of the benefits / importance of the planning year option.

Abandoned projects

Wave 1 – no interviews were conducted with this group.

Wave 2 – Six interviews were conducted with stakeholders (including the lead of the grant recipient organisation) on six projects (including Phase 3a and 3b) that were awarded funding but were subsequently abandoned. The interviews explored the reason(s) for the project being abandoned, to what extent issues and challenges were foreseeable, how the decision to abandon was taken, and subsequent decarbonisation plans.

Non-funded applicants

Wave 1 - 28 interviews with organisations that applied to Phase 3a but were not awarded funding, exploring their experiences of the application process and award decision, as well as their views on the main changes to PSDS in Phase 3. To inform assessment of attribution to the PSDS, interviews also explored what decarbonisation activity this (unfunded) group have undertaken in the same time period as Phase 3a delivery.

Wave 2 – 10 interviews were conducted with organisations that had applied for, but were not awarded, funding under the LCSF. This was to explore their experiences of the application process and award decision, but also to understand whether (and if so, how) they had progressed decarbonisation planning in the absence of LCSF funding.

Eligible non-applicants

Wave 1 - 10 interviews with public sector organisations that were eligible to apply for PSDS funding but had not done so at the time of fieldwork. Interviews explored their awareness and perceptions of the PSDS, and specifically the reasons they have not applied for funding. Again, to inform assessment of attribution to the PSDS, interviews also explored what decarbonisation activity this (unfunded) group have undertaken in the same time period as Phase 3a delivery.

Wave 2 – no interviews were conducted with this group in Wave 2.

PSDS contractors

Wave 1 - 10 interviews with contractors working on Phase 3a PSDS-funded projects, ensuring a range of roles, projects and organisation sizes. Interviews covered their experiences of project delivery, in particular risk management, challenges encountered and mitigation strategies. In addition, a focus group / workshop with four PSDS contractors exploring overarching sector challenges – supply, capacity, skills – and changes to PSDS rules.

Wave 2 – 10 interviews and a workshop were conducted with contractors working on Phase 3b PSDS-funded projects, exploring the same areas as Wave 1 interviews.

LCSF consultants

Wave 1 - 11 interviews with consultants delivering LCSF funded work, exploring the value of the work and the effect on public sector skills, knowledge and capacity to pursue future decarbonisation projects.

Wave 2 - 10 interviews with consultants delivering LCSF funded work, exploring the same areas as Wave 1 interviews.

DESNZ representatives

Wave 1 - a workshop with 10 representatives of the Department for Energy Security and Net Zero (including programme management and wider policy teams), exploring views on the applicant profile, the effect of PSDS rule changes, delivery of the scheme, and how PSDS and LCSF could further support decarbonisation.

Wave 2 – interviews with two representatives of the Department, focusing primarily on perceptions of programme, and particularly Salix's delivery to date.

Salix representatives

Wave 1 – no interviews were conducted with Salix representatives.

Wave 2 – six interviews were conducted with Salix representatives, covering a range of roles across the PSDS process, and ensuring a mix of sector expertise. Interviews explored respondent perceptions of delivery to date, successes and challenges.

Third party technical assessors

Wave 1 - a workshop with four of the third party technical assessors (TPTAs) that reviewed Phase 3a applications, exploring views on application quality, reflections on skills gaps, the effect of PSDS rule changes and eligibility criteria.

Wave 2 – a workshop was conducted with TPTAs, exploring the effects of changes to scheme rules and applications in Phase 3b.

Wider supply chain representatives

Wave 1 - five interviews were conducted with organisations well placed to provide an overview of the effect of PSDS on the decarbonisation / retrofit supply chain.

Wave 2 - no interviews were conducted with this group in Wave 2.

4.1.1: Quantitative survey design, sampling and analysis

The survey was delivered in October 2023 and was the first of three quantitative telephone surveys that will be conducted with Phase 3 grant recipients.

As the main purpose of the surveys is to explore project implementation and outcomes, this first survey focused on Phase 3a single year grant recipients, on the basis that only these projects were likely to have been completed and started generating outcomes.

To minimise respondent burden, it was agreed that organisations with multiple funded projects in Phase 3a would be interviewed once, with answers covering all projects.

The database used for the survey was based upon the Department database of Phase 3a single year grant recipients. Removing both abandoned projects and duplicates (i.e. reducing those with multiple funded projects to a single 'record'), the final imported database contained 137 unique contacts. From this, a total of 67 surveys were conducted (60 in full, with a further 7 closed after it was established, in the interview, that none of the funded measures were yet complete).

The profile of interviewed projects fairly closely reflected the profile of the original Department database (in terms of sector) but survey responses were weighted to ensure more precise representation before analysis.

Key weighted findings were included in the main report, whilst detailed data tables were also shared with the Department.

4.2: Limitations / caveats

There were a number of limitations to this stage of the evaluation; these, and their implications for the evaluation findings and interpretations, are discussed below.

Scope

There were three particular parameters to the scope of interim process evaluation findings. The first was the focus of the evaluation in Stage 1 Wave 1 upon (a) Phase 3a delivery; (b) the process evaluation questions. As described in Section 3.3, later stages of the evaluation will generate findings pertaining to Phases 3b and 3c, and the impact and economic evaluation questions.

The second limitation in the scope of report findings was the groups and responses it covered. Due to changes in the composition and timing, the report does not include views from wider supply chain representatives (providing overarching perspectives of PSDS impact on particular sectors). These will be included in reporting later in the evaluation.

The third limitation to scope arose due to the timing of the data collection windows in waves 1a and 2. At the time of interviews, many projects had yet to be completed. This meant certain questions (e.g. on post-installation quality) could only be answered by proportions of the respondent sample. Such questions will be re-visited in later stages of the evaluation.

Statistical significance

Databases of Phase 3a and 3b applicants and awards were shared with the evaluation consortium and analysed by the team to generate high-level insights on participant profiles, experiences and delivery.

However, aside from the quantitative survey of Phase 3a single year projects, the majority of data underpinning the findings was obtained from a sample of qualitative interviews and discursive workshops (as described in section 4.1). Whilst these generated numerous and varied insights on the questions explored in them, they were not intended to provide statistically robust results or percentages on key questions.

Again, it is anticipated that there will be a greater amount of quantitative evidence gathered in Stage 2 of the evaluation. But for Stage 1, it is not possible to draw representative conclusions from the interviews (particularly applicant and non-applicant groups).

Recall

The time between respondents' experience of some parts of the PSDS process (around 18 months from their application) and this round of evaluation interviews meant it was difficult for some respondents to recall details of these elements.

Linked to this, where organisations were involved in multiple phases of PSDS, some respondents struggled to disaggregate their experiences. Interviewers sought to mitigate this

through clear description of projects and asking respondents to report their experiences in relation to those projects. Whilst conflation on some issues is possible, it is unlikely to have had a substantive impact on findings reported.

Respondent role and knowledge

Some respondents, whilst still being the recognised 'project lead' for their organisations, were either not closely involved, or not involved at all, in particular elements of the process. There were therefore some areas these respondents could not provide informed opinions on, although they were encouraged to share any feedback from colleagues.

4.3: Analysis

Quantitative scheme data was analysed, using frequencies and cross tabulations to understand more about the profile of organisations participating in the scheme and the nature of projects that received funding. The key statistics generated and included in the report comprised breakdowns / analyses of the following:

- Applicant organisational profile (in terms of sector) for Phase 3a and 3b, with comparison to the Phase 1 breakdown.
- Levels of funding requested in Phase 3a and 3b applications, with comparison to the Phase 1 breakdown.
- For Phase 3a and 3b applications, how far the amounts requested covered the proposed overall project costs.
- Proximity to the £325/t CCT in Phase 3a and 3b applications.
- Single vs. multi-year applications and awards.
- Application submission dates and proximity to the opening of the Phase 3a and 3b application window.
- Funded project profile (in terms of values awarded and measures funded) for Phase 3a and 3b, with comparison to the Phase 1 breakdown.
- Application review outcomes and key issues / concerns arising.
- Timescales within which successful applicants were informed of the outcome of their application.
- The progress of funded projects, based upon the percentage completion of each stage of the delivery,
- Overall project status in terms of completion, as well as the extent of any delays.
- The reasons for funded projects being abandoned.
- Phase 3a single year survey responses on (a) realisation of prompted outcomes; (b) attribution of projects and individual measures to the PSDS funding.

Qualitative data was analysed to understand key themes pertaining to the evaluation questions within respondent groups. Interviews were written up by those that conducted them, against the questions covered for that respondent group. They were then analysed by the report authors against both question area and the key sections agreed to be covered in the report (a detailed structure was agreed with the Department prior to drafting). There was also analysis of responses within respondent groups to detect any apparent differences by respondent (organisational or project) profile.

These analyses were synthesised to produce the interim process evaluation report.

5: Research instruments

This section of the annex outlines the survey script and topic guides used in the survey, workshops and qualitative interviews conducted for the primary research **in Stage 1 Wave 2 (September 2023 – April 2024)**¹⁷. Each section includes the key questions used in the research. Numerous additional probing questions were used depending on the answers given.

Topic guides for the interviews and workshops were developed based upon the process and impact evaluation questions set out in the table in Chapter 3. All research instruments were commented upon and signed off by the Department before use. They were not piloted but were informed by the evaluation team's experiences of conducting interviews with broadly similar groups on similar topic areas for the evaluation of PSDS Phase 1.

5.1: Quantitative survey script: Phase 3a single year funded projects

Introduction

Good morning / afternoon. I am calling from Winning Moves, an independent research company who are carrying out an evaluation on behalf of the Department for Energy Security and Net Zero (formerly BEIS).

We are conducting the evaluation of Phase 3 of the Public Sector Decarbonisation Scheme (PSDS). As part of this, we are looking to speak to Phase 3a single-year grant recipients that have completed or are undertaking funded projects. We want to understand more about some of the outcomes arising from the PSDS funded project. This will feed into assessment of the overall impact of the scheme.

Throughout the evaluation, [Salix / the Department] are also circulating an online 'post-completion' survey exploring the carbon and energy impacts of your PSDS-funded project. This telephone survey is exploring other wider impacts and shouldn't require you to have any figures to hand.

Would you have 15 minutes now to run through the survey?

- If so, thank you. Just to note that all responses you give will be anonymised.
- If not, arrange a date and time to recontact.

Clarifications:

- Contact details were obtained from the DESNZ database of PSDS grant recipients.

¹⁷ The research instruments utilised in Stage 1 Wave 1 are provided in the technical annex accompanying the 2023 interim report.

- The survey is specifically concerning their Phase 3a funded projects. Run through project codes if needed.

Main survey

1. We'd like to quickly run through the measures that we understand – from the database information – were included within your PSDS application. Please could you confirm each: *[run through measures known from the database, select those codes, then ask if there were others. If so, code using the options below; multiple choice]*
 - a. Air Source Heat Pumps
 - b. Biomass boiler
 - c. BMS (Building Management System)
 - d. CHP (Combined Heat & Power)
 - e. Connection to existing district heating
 - f. Draught proofing
 - g. Electric heating
 - h. Fans
 - i. Glazing
 - j. Ground Source Heat Pumps
 - k. LED lighting
 - l. Lighting / heating controls
 - m. Loft insulation
 - n. Motors / motor controls
 - o. Pipework improvements / insulation
 - p. Solar PV panels
 - q. Solar Thermal
 - r. Variable speed drives
 - s. Ventilation
 - t. Wall insulation
 - u. Water Source Heat Pump
 - v. Other measures
 - w. Anything else? [OE]
2. Can you confirm the progress of the works funded through PSDS Phase 3a? *[prompt; single choice]*
 - a. No funded measures are yet operational – why not? [Open End - OE] *[close interview following Q3, as they will not be able to discuss most of the post-completion impacts explored below]*
 - b. Some funded measures are operational but not all – which are not and why? [OE]
 - c. All funded measures are operational
3. *[if selected Q2a/b]* When do you expect all Phase 3a funded works to be completed? [Month and year]
4. Overall, to what extent has the quality of installation of Phase 3a funded measures – whether in progress or completed – matched your expectations? [Prompted; single choice]
 - a. Not at all – why not? [OE]
 - b. Partially met – why not fully? [OE]
 - c. Mostly met – why not fully? [OE]
 - d. Completely met
 - e. Exceeded – how? [OE]

5. When applying for the PSDS funding, before starting to implement the project, which of the following benefits did you expect to arise from the PSDS Phase 3a-funded project? [*Prompted; multiple choice – options Yes or No*]
- a. Reduced carbon emissions
 - b. Reduced electricity consumption
 - c. Reduced gas consumption
 - d. Reduced energy costs overall
 - e. Reduced maintenance costs
 - f. Improved air quality for building occupants
 - g. Improved warmth / comfort for building occupants
 - h. Reputational benefit (improved CSR image / good PR)
 - i. Improved energy management / behaviour to reduce consumption
 - j. Improved knowledge and understanding of energy efficiency / renewable energy measures
 - k. Improved skills within your organisation in installing and / or operating measures
 - l. Improved lighting quality / visual comfort
 - m. Improved service provision from your organisation
 - n. An increase in the level of engagement and interest in decarbonisation within your own organisation?
 - o. Any other benefit(s)? [OE]
 - p. None of the above [x] – why not? [OE]
 - q. Don't know
6. And can we check whether you have seen any of the following benefits arising from the PSDS Phase 3a-funded works that have been completed? [*Prompted; multiple choice – options Yes, No, N/A, or Don't know. For each yes, ask the respondent to describe further*]
- a. Reduced carbon emissions [OE]
 - b. Reduced energy consumption [OE]
 - c. Reduced gas consumption [OE]
 - d. Reduced energy costs overall [OE]
 - e. Reduced maintenance costs [OE]
 - f. Improved air quality for building occupants [OE]
 - g. Improved warmth / comfort for building occupants [OE]
 - h. Reputational benefit (improved CSR image / good PR) [OE]
 - i. Improved energy management / behaviour to reduce consumption [OE]
 - j. Improved knowledge and understanding of energy efficiency / renewable energy measures [OE]
 - k. Improved skills within your organisation in installing and / or operating measures [OE]
 - l. Improved lighting quality / visual comfort [OE]
 - m. Improved service provision from your organisation [OE]
 - n. An increase in the level of engagement and interest in decarbonisation within your own organisation? [OE]
 - o. Any other benefit(s)? [OE]
 - p. None of the above [x] – why not? [OE]
7. We would like to understand the influence, if any, of PSDS Phase 3a on the measure(s) it funded. Please could you tell us which of the following statements best describes the influence of the scheme: [*prompt; single choice*]
- a. Without the PSDS funding, we would not have undertaken any of the measures in the same timescales
 - b. Without the PSDS funding, we would have undertaken some but not all of the actions in the same timescales

- c. Without the PSDS funding, we would have taken the same actions within the same timescales anyway – how would you have funded this? [OE]
- 8. *[if selected 7a/b]* What would have been the likely timescales for you to implement the measure(s) PSDS Phase 3a funded, if the scheme had not been available? And how would you have funded this? [OE – *probe to understand if they would have done some things sooner than others*]
- 9. *[if selected 7a/b]* For each measure included in your PSDS Phase 3a-funded project(s), please could you say whether – without PSDS funding - you would have (a) done this anyway in the same timescales (b) done something in the same timescales but to a lesser extent (e.g. fewer installations and / or in fewer buildings), or (c) not done this measure at all within the same timescales. [*Prompt each measure selected in q1*]
- 10. *[if selected 7a/b]* Please describe how the PSDS Phase 3a supported you in taking action i.e. was it simply the funding making installations viable, or were there any other benefits of participating in the scheme? [OE]
- 11. Are you taking or planning any further energy efficiency / decarbonisation action?
 - a. Yes – what are you planning? [OE]
 - b. No – why not? [O]
 - c. Don't know
- 12. *[if selected 11a]* Have you applied / Are you applying to the PSDS to help fund this further action?
 - a. Yes
 - b. No – why not? How will you fund the action? [OE]
 - c. Don't know – how else might you fund it? [OE]
- 13. *[if selected 11a]* If you hadn't undertaken the PSDS Phase 3a-funded activity, do you think this further action would: [*Prompt; single choice*]
 - a. Not have been undertaken at all
 - b. Have been less ambitious / slower
 - c. Have all happened in a similar timescale anyway
- 14. *[if LCSF recipient]* You received LCSF Phase 2 funding to support the development of a heat decarbonisation plan. Can you describe a little more about this i.e. what support and on what aspects of the plan? [OE]
- 15. *[if LCSF recipient]* Did having the LCSF-funded support influence or benefit your heat decarbonisation plan, compared to a scenario in which there was no LCSF funding?
 - a. Yes
 - b. No
 - c. Don't know
- 16. *[if selected 15a]* In which of the following ways did the LCSF-funded support influence your heat decarbonisation plan? [*prompt; multiple choice; probe for each option selected*]
 - a. Ensured a higher quality plan than would otherwise have been produced – in what way? [OE]
 - b. Ensured the plan was produced sooner – in what way? And how much sooner? [OE]
 - c. Other? [OE]
 - d. None of the above – why not? [OE]

17. *[if LCSF recipient]* Would you have sourced external support with the heat decarbonisation plan if the LCSF funding hadn't been available?
- Yes, the same organisation / specialist– how would you have paid for this? [OE]
 - Yes, but other organisation / specialist – how would you have paid for this? [OE]
 - Yes, but not sure which organisation – how would you have paid for this? [OE]
 - No – why not? [OE]
 - Don't know
18. *[if LCSF recipient]* We would like to understand the influence of the heat decarbonisation plan on your PSDS Phase 3a-funded project. Please could you tell me which of the following statements best describes the influence of the HDP: *[prompt; single choice]*
- We would not have applied to Phase 3a without the Plan – why not? [OE]
 - We would still have applied to Phase 3a without the Plan but the application and / or project would have been different – how? [OE – probe on quality / measure selection]
 - We would still have applied to Phase 3a with the same application quality and measures without the Plan.
19. *[if LCSF recipient]* Including those already covered in previous questions, are you taking or planning any actions set out in the heat decarbonisation plan? *[can select a and b]*
- Yes, have implemented / are implementing some – what? [OE]
 - Yes, are planning to implement some – what? [OE]
 - No – why not? [OE]
 - Don't know
20. *[if selected 19b]* Have you applied / will you apply to the PSDS to help fund the action you are planning?
- Yes
 - No – why not? How will you fund the action? [OE]
 - Don't know – how else might you fund it? [OE]
21. Have you promoted your PSDS project to, and / or discussed it with, any other public sector organisations?
- Yes – who, how and what have they done subsequently? [OE]
 - No – why not? [OE]
 - Don't know
22. Have any other public sector organisations approached you to discuss or present to them about the project?
- Yes – who and what was discussed? [OE]
 - No
 - Don't know
23. Thank you - that covers all the questions I had. Do you have any other comments you would like to make on the PSDS or LCSF schemes, your experience of delivering the funded project, or anything more widely on this? [OE]

5.2: Topic guides for qualitative interviews

5.2.1: PSDS Phase 3b grant recipients

Key questions
Context
<ul style="list-style-type: none"> • Please can I confirm your job title and role? • What has been your personal involvement in: (a) The PSDS Phase 3b application(s), (b) The planning and implementation of the funded project(s) • And for context (if not already known) what has been your, and your organisation's, involvement in any earlier PSDS phases? (the application process and / or delivery of the projects?)
Application process
<ul style="list-style-type: none"> • What were your views on the application process? • What project(s) did you apply to PSDS Phase 3b with and why did you apply? • How did you decide upon the composition of your project in terms of (a) scale; (b) measure selection (including sizing of any heating systems); (c) choice of buildings? • How did you manage risk in your project design and planning at the application stage? • What are your views on how applications are assessed?
Views on LCSF
<ul style="list-style-type: none"> • We understand from the scheme data that you received Phase 3 LCSF funding. Could you briefly describe your experience of applying? • [Otherwise] Did you apply for LCSF Phase 3 funding? • We understand from the scheme data that you received Phase 3 LCSF funding. What did you use this for? • Did you receive LCSF funding in Phase 1 or Phase 2? If so, what did you use this for?
Project delivery
<ul style="list-style-type: none"> • Can you please clarify the stage the PSDS Phase 3b funded project(s) is at.

<ul style="list-style-type: none"> • How far has the project aligned with the original application in terms of (a) timescales for completion; (b) the measures installed? (c) costs? • Can you please summarise your experience of delivering the project on site? • What is your perception of the skills and quality of the contractors delivering the project(s)? • Following installation of measures, have there been any technical issues to address? If so, have you overcome these and if so, how? • Have you promoted the PSDS project(s) to other organisations (public sector or otherwise)? • What has your experience been of liaising with Salix throughout delivery of the project?
<p>Attribution</p>
<ul style="list-style-type: none"> • I would like to understand the influence of the scheme on the measure(s) you funded. Without PSDS Phase 3b funding, to what extent would you have implemented the same measures in the same timescales? • Aside from providing the funding, has participating in the scheme been beneficial to the project in any other ways?
<p>Wider lessons</p>
<ul style="list-style-type: none"> • What are the key learnings from your experience of PSDS that the Department for Energy Security and Net Zero should consider in future energy policy development and scheme design? • What are your views on how PSDS/LCSF, as well as wider policy, could further support decarbonisation of the public sector?

The topic guides for planning and multi-year project interviews followed a very similar guide but included questions asking about the rationale of applying for planning / multi-year funding, and the perceived benefits – to date – of having done so.

The second round of interviews with Phase 3a multi-year case study respondents focused on project delivery / progression, challenges encountered, and experiences of interaction with Salix.

5.2.2: Abandoned projects

Key questions
Context
<ul style="list-style-type: none"> • Please can I confirm your job title and role? • What has been your personal involvement in: (a) The PSDS Phase 3b application(s), (b) The planning and implementation of the funded project(s)?
How and why was the project abandoned?
<ul style="list-style-type: none"> • Please can I confirm the date your [Phase 3a/3b] project was formally abandoned? • And what stage did the project reach before it was formally abandoned? • Please can you describe how and why the decision was taken to abandon the project? • To what extent were the issues behind / reasons for the project being abandoned apparent, and considered, at the project design and application stage?
Project outcomes
<ul style="list-style-type: none"> • <i>[if at least some measures were installed before the project was abandoned]</i> Regarding the [Phase 3a/3b] funded measures you were able to install, have there been any benefits arising from these? • Are you currently / do you still intend to progress decarbonisation projects? • <i>[If they are progressing / planning action]</i> What, if any, lessons have you taken from the abandoned project and applied to subsequent projects? • <i>[if they are not progressing / planning any action]</i> If you were to try to implement a similar decarbonisation project again in future, what would be the key lessons you would take from your experiences of the abandoned project?

5.1.3: PSDS Unsuccessful LCSF applicants

Key questions
Context
<ul style="list-style-type: none"> Please can I confirm your job title and role? What has been your personal involvement in LCSF application(s)?
Views on LCSF
<ul style="list-style-type: none"> We understand from the scheme data that you applied for Phase [2/3] LCSF funding. Why did you apply to LCSF? What are your views on the LCSF application process?
Subsequent activity
<ul style="list-style-type: none"> What were the effects of the LCSF not being awarded? Has your organisation progressed decarbonisation projects subsequent to your unsuccessful LCSF application? Does your organisation intend to apply to future rounds of LCSF funding?
Wider lessons
<ul style="list-style-type: none"> Are there any ways in which you think the LCSF could be improved / enhanced? What are your views on how PSDS/LCSF, as well as wider policy, could further support decarbonisation of the public sector?

5.1.4: PSDS Phase 3b Contractors

Key questions
Context
<ul style="list-style-type: none"> To start with, could you please give me some details about your current role, for example your job title and how long have you been in post. What is your organisation's main area of work?

<ul style="list-style-type: none"> • How familiar are you with the Public Sector Decarbonisation Scheme (PSDS)? Do you know to what extent has your organisation been involved in conducting work funded by this scheme? • In this interview, we are focussing on work that was funded through PSDS Phase 3; this funded work that would have commenced any time after autumn 2022. Have you been involved in delivering Phase 3 projects?
Views on the application process and scheme criteria
<ul style="list-style-type: none"> • I would now like to run through some of the main changes to PSDS rules between the first Phase of the scheme in 2020, and Phase 3a. For each, please could you tell me your overall views on this change (positive / negative) and why.
Risk management and experience of project delivery
<ul style="list-style-type: none"> • Please tell us about your approach to project risk management for PSDS 3 projects. • How would you describe your experience of delivering the PSDS Phase 3 funded work? What went well / less well? • Is the installation complete? If YES, have you been involved in any post-installation activity?
Overall views
<ul style="list-style-type: none"> • Do you have any views about how PSDS, or the accompanying programme the Low Carbon Skills Fund, could be changed to improve your ability to support the public sector and the supply chain to deliver decarbonisation of the public sector? • Do you have any views about how wider government policy could further support the public sector and the supply chain to deliver decarbonisation of the public sector?

5.1.5: LCSF Contractors

Key questions
Context
<ul style="list-style-type: none"> • To start with, please can I confirm your job title and role? • What has been your personal involvement in the LCSF Phase 3 project(s)? And for context (if not already known) what has been your involvement in any earlier LCSF/PSDS phases?

<ul style="list-style-type: none"> • What is your organisation's main area of work? • We understand that you have provided support on the delivery of one or more Phase 3 LSCF-funded projects (identify if possible), is that correct?
<p>Impact on public sector capability and heat decarbonisation delivery</p>
<ul style="list-style-type: none"> • The aim of the LCSF is to provide grants for public sector bodies to access skills and expertise to unlock heat decarbonisation on their estate. What do you feel were the main expertise and resource gaps that your involvement helped to fill? • Can you identify any other ways in which you feel that your involvement benefited your client(s)? • In what ways do you anticipate that the work you have undertaken has or will inform your clients' current/future work on heat decarbonisation? • (If work is directly linked to PSDS projects) Thinking specifically about PSDS, how do you expect your work to inform your clients' current/future work on PSDS projects? • What are your clients' priorities in relation to their LCSF heat decarbonisation plans? For example, is their primary focus on maximising financial savings, carbon reduction, identification of priorities for action?
<p>Attribution</p>
<ul style="list-style-type: none"> • To what extent do you think your client(s) would have been able to progress the project(s) in your absence? • Are you aware of any public sector organisations developing heat decarbonisation plans outside the LCSF?
<p>Wider issues</p>
<ul style="list-style-type: none"> • Do you have any views about how the LCSF (and if relevant the PSDS) could be changed to improve their ability to support the public sector and the supply chain to deliver decarbonisation of the public sector?

5.1.6: Salix representatives

Key questions
Context
<ul style="list-style-type: none"> Please can I confirm your job title and role?
Rule changes
<ul style="list-style-type: none"> What are your views on the key PSDS rule changes introduced since Phase 1, in terms of: <ul style="list-style-type: none"> What do you see as the key rule changes across the Phases since PSDS started? The rationale for the change? Effects on the profile of projects Effects on the profile of applicants.
Application process
<ul style="list-style-type: none"> What are your views on the way the PSDS has been promoted to potential applicants throughout Phase 3a to 3c? What are your views on the application form and the support provided to applicants? What are your views on application assessment and grant awards? To what extent, if at all, do you feel the quality of applications has varied by (a) sector; (b) any other characteristic of applicant organisations?
Project monitoring and support
<ul style="list-style-type: none"> What are your views on the key account management and comms approach used for PSDS? What are your perceptions of the progress grant recipients are making with their projects?
Wider lessons
<ul style="list-style-type: none"> What are your views on how PSDS/LCSF, as well as wider policy, could further support decarbonisation of the public sector?

5.1.7: Wider supply chain

Key questions
Context
<ul style="list-style-type: none"> • Please could you confirm the name of your organisation, your job title and role? • How familiar are you with government policy in relation to heat decarbonisation? • How familiar, or otherwise, are you with the Public Sector Decarbonisation Scheme?
Defining the non-domestic heat pump supply chain
<ul style="list-style-type: none"> • <i>Present heat pump supply chain chart.</i> How accurate or otherwise do you feel this is? Are there any types of supply chain actor that you think are missing, or which shouldn't be in there? • How much overlap is there between the non-domestic and domestic heat pump supply chains?
Skills and capacity
<ul style="list-style-type: none"> • To what extent do you think the non-domestic heat pump supply chain has the capacity to meet current and anticipated supply chain demands, including those generated by the PSDS? • To what extent do you think the non-domestic heat pump supply chain has access to the skills required to meet current and anticipated supply chain demands, including those generated by the PSDS? • In relation to key identified skills and capacity gaps in the non domestic heat pump supply chain, how best might these be addressed?
Impact of the PSDS
<ul style="list-style-type: none"> • Aside from the capacity and skills matters we have discussed, what is your understanding of the current status of the UK heat pump supply chain and its ability to meet current and anticipated demand? • How might the identified supply chain challenges be addressed?

5.2: Workshops

5.2.1: PSDS Phase 3b grant recipients

Key questions
<p>Context</p> <ul style="list-style-type: none"> • Role and responsibility of project leads • PSDS experience • PSDS Phase 3a project
<p>Views on scheme design and how rules/eligibility criteria have influenced this, in particular the effects on: a. Who applies; b. With what projects; c. Who / what project is awarded funding.</p> <ul style="list-style-type: none"> • Introduction of Planning Years • Introduction of Sector soft caps • A maximum proportion of grant value that can be claimed for energy efficiency measures so that more focus is on heat decarbonisation. Maximum proportion set at 58% of total grant costs within each application • Applications must include a measure to contribute to decarbonising the heating with a low carbon heating source in each building included in the application. • No support for hybrid heating systems where new fossil fuel boilers are being installed as part of project • The new heating system must meet the heat demand of the previous system. • Projects could start as soon as returned Grant Offer Letter (so potentially in FY22/23 if flagged can start before 1 April 2023 in application). • Applicants must contribute at least 12% of the total project costs.
<p>How could PSDS further support decarbonisation?</p> <ul style="list-style-type: none"> • What works well? • What would you change and why? • How does PSDS fit with wider decarbonisation programmes and policies? • Beyond funding works, how could policy help in building capacity and capability within the public sector to design and deliver decarbonisation projects?
<p>Views on hypothetical adaptations and their effects</p>

- Competitive assessment rather than ‘first come first served’. On what basis / metric(s) would allocation be decided?
- [If carbon] How would this influence the buildings and / or measures proposed?
- Access to loan funding (alongside grant funding). Would you take this up?

Heat Decarbonisation Plans

- What activities did they carry out to produce the HDP and in what order?
- How straightforward they have been to produce?
- How useful / effective they have been in defining priorities, setting direction and guiding planned action?
- How did they know which aspects of an HDP they needed support with / would be most helpful in progressing a project?

Energy cost impacts

- Have there been any Phase 3b projects where the measures included meant that energy costs were anticipated to increase? If so, were there internal organisational reservations to overcome / how were they overcome?

5.2.2: Third Party Technical Assessors

Key questions

Context

- Name, company, type of work undertaken for Salix (number and type of projects reviewed etc).
- Establish level of familiarity with previous phases of the PSDS.

Views on scheme design and how rules/eligibility criteria have influenced this

- A number of changes were introduced for Phase 3a of the PSDS. What are your views of these changes?
- In what ways do you think that these changes might have influenced (positively or negatively) the design of applications?
- To what extent and how have successful applicants used bundling?
- How well do applicants match technologies to building type?

Views on scheme applicants

- Based on your experience, what characteristics (size, level of expertise, sector) do you associate with a 'typical' scheme applicant?
- In what ways do you think that the design of Phase 3a is likely to have informed the profile of scheme applicants?

Views on risk management

- What is your opinion of the general quality of risk management in Phase 3a applications?
- What sort of risks were most commonly identified, and how did applicants propose to mitigate them?
- How realistic are applicant expectations for project delivery?

Views on scheme applications

- What are the most common weaknesses you see in scheme applications and what do you associate these with?
- How realistic are cost estimates?
- How realistic are applicants' schedules?
- Has sufficient thought been given to project risk?
- Are there any particular types of data that applicants struggle to provide?

Views on how PSDS/LCSF, as well as wider policy, could further support decarbonisation of the public sector

- In what ways do you think that the PSDS and LCSF, as well as wider policy, could be changed to better support decarbonisation of the public sector?

5.2.3: PSDS Contractors

Key questions

How could PSDS/LCSF be changed to improve their ability to support the development and delivery of high-quality decarbonisation in the public sector? Areas prompted:

- Application process – including level of detail required and consequent impact on project quality/delivery - & timeframe plus rolling nature of applications
- Delivery timeframe, including MY option, and implications for project design and delivery
- Grant draw-down and forecasting process

- Salix support/interactions
- Other?

What changes in the wider sector are needed to enable efficient, high-quality decarbonisation projects in the public sector? Areas prompted:

- Electricity network issues
- Planning process
- Skills

This publication is available from: www.gov.uk/government/publications/public-sector-decarbonisation-scheme-psds-evaluation-of-phase-3

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