

# Green Deal Maximising Energy Efficiency in Buildings Forum

## notes from meeting held 31<sup>st</sup> January 2013 at the FMB

### Attendance

1	Chair - ACE	Andrew	Warren	AW
2	British Property Federation	Ian	Fletcher	IF
3	Centre for Sustainable Energy	Phillip	Morris	PM
4	Chartered Institution for Building Services Engineers	Hywel	Davies	HD
5	Department for Communities and Local Government	Hannah-Jane	McNamara	HM
6	Department of Energy and Climate Change	David	Thomas	DT
7		Peter	Farrand	PF
8	Existing Homes Alliance	John	Doggart	JD
9	Forum for the Future	Will	Dawson	WD
10	Fuel Poverty Advisory Group	William	Gillis	WG
11	Heating and Hotwater Industry Council	Neil	Schofield	NS
12	Homes and Communities Agency	Emyr	Poole	EP
13	Local Authority Building Control	Paul	Everall	PE
14	National Organisation of Residents Assoc. (NORA)	Lorraine	Barter	LB
15	National Housing Federation	Martin	Wheatley	MW
16	Orbit Group	John	Barnham	JB
17	National Landlords Association	Simon	Gordon	SG
18	Scottish Government	Ann	McKenzie	AM (tel.)
19	Energy Efficiency Partnership for Buildings	Mark	Brown	MB
20	Energy Efficiency Partnership for Buildings (notes)	Mathias	Hessler	MH

### Apologies

1	Confederation of British Industries	Stephen	Mayne
2	National Landlords Association	David	Cox
3	RIBA	Lynne	Sullivan
4	RLA	Dave	Princep
5	RICS	Peter	Bolton King

### did not attend

1	BCO	Angus	McIntosh
2	Leasehold Advisory Service (LEASE)	Nicholas	Kissen
3	Local Government Association	Piali	DasGupta
4	National Association of Estate Agents (NAEA) / ARLA	Ian	Potter

### Summary Notes

1. **Review of notes and actions from previous meeting**
  - Abigail Burrridge's comment for the notes concerned the access of SH providers and LAs to the ECO brokerage market, which is picked up later in discussion.
  - Lynne Sullivan's comment regards the monitoring regime installed by the ORB and whether this ties in with EPBD and/or the TSB Building Performance Evaluation. This remains an open question for the ORB \*EEPB to follow up.

	<ul style="list-style-type: none"> <li>▪ Comments on the Fuel Poverty Strategy were sent to the fuel poverty team at DECC. The strategy will be consulted on in spring.</li> </ul>
2.	<p><b>DECC update – David Thomas</b></p> <p>GD has launched on Monday with a media campaign, including large-scale coverage in daily and Sunday newspapers, to be repeated next week. Digital advertising will start week after next, and media partnerships will also be established, e.g. with home improvement magazines.</p> <ul style="list-style-type: none"> <li>• AW mentioned statements from the SoS containing significantly smaller expectations for GD than envisaged during 2011 and 2012, based on the impact assessment. A retrofit market turning over £7bn annually is now thought to be worth £10bn over 10 years. AW spoke to the SoS on the evening of the launch about this, and the depressing signals it sends to the sector.</li> </ul> <p>B2B events with GD providers and SH providers (AM) plus GD providers and SMEs (PM) will be held in London next week and Liverpool the week after.</p> <p>The first two ECO auctions have taken place, with the first one on 18 Dec being a test auction.</p> <ul style="list-style-type: none"> <li>• There is an argument brought forward by the NHF and LGA that social landlords and LAs could be contract partners of equal strength and robustness to GD providers. Several meetings have been held but it was felt by NHF that no valid counter arguments brought forward. Concern had been raised with DECC about where to draw the line if other parties than GD providers were allowed to trade, and that not all social landlords and LAs had an equally good standing. There are specific legal and regulatory requirements on social landlords and LAs distinguishing them clearly from other organisations. Resolution was sought urgently – <b>action DT</b>.</li> </ul> <p>The <b>cashback</b> scheme has opened and led to a dramatic increase in the interest in the GD programme. The requirement for boiler replacement to tie in with loft and cavity insulation has increased pairing between heating and insulation installers. The cashback features in the advertising. Scotland’s cashback scheme is different, therefore different figures are quoted. In Scotland, cashback budget is £5.5m until the end of the FY (with no carry-over) and just under £15m in the next FY, with a possibility to be increased. The English equivalent figure for 2013/14 is £120m.</p> <p>A second edition of <b>PAS 2030</b> is now <b>published</b>, with a reduced price of £75. All buyers of the first edition are eligible for a free update. The numbering of the Annexes has completely changed. Work has started in all <b>core cities</b>, with Liverpool now added. Under Pioneer Places, there are several schemes involving the PRS, several schemes interlinked with health, and Cornwall is looking at park homes. The budget for the core cities is £13m, to be spent by the end of the FY, which was flagged as challenging to (nearly) impossible. Some schemes which may work well in principle may struggle to get off the ground in two months. There may be some flexibility for SWI schemes.</p> <ul style="list-style-type: none"> <li>• In Bristol, significant delay had been caused for assessors in obtaining commercially available software and getting it to work; the impact on the SWI supply chain had been mixed, with some spikes in demand</li> </ul> <p>The core cities are deliberately including ECO subsidies, to trial this element and help councils with their own contributed funding.</p> <p>A report collating successful case studies and key learnings is expected in the summer. Evaluation will be done to a large extent in-house at DECC, with LAs also doing their own evaluation. A question was raised about how long the monitoring would continue. At least one year from completion of works would be required to establish the effectiveness of the improvements and the quality of installations. Criteria for quality monitoring also need to be established. When applying for cashback, households are asked to partake in monitoring, and DECC are hoping for a reasonable sample. DECC should insist on a minimum level of feedback to be given in order to receive taxpayers’ money, while intrusive monitoring needed to be voluntary.</p> <p>A further £10m (not coming out of the £200m GD launch fund) is going to the <b>pioneer places</b> (see <a href="#">DECC Local Authority Funds publication</a>, page 2 and section 3 pages 10-13), a consumer engagement initiative. The actual works triggered by it may be implemented during the next FY.</p>

3.	<p><b>ORB – current status and stakeholder engagement</b></p> <p>The ORB are scheduled to present at this afternoon’s SH TG4, but had also been requested to attend this main forum meeting. This arrangement seemed to have been misunderstood, and no representative was available. Several members expressed their disappointment at this.</p> <p>A number of items outstanding from the three former GD ministerial advisory fora have been submitted to the ORB by EEPB. The ORB now runs three new forums with Certification Bodies, Assessors and Installers, and intends to set up three further groups:</p> <ul style="list-style-type: none"> <li>○ Consumer Group (incorporating current DECC Consumer Protection Group)</li> <li>○ Provider Group</li> <li>○ Monitoring Steering Group</li> </ul> <p>EEPB are not involved in any of these: members asked why this was the case.</p> <ul style="list-style-type: none"> <li>• Training courses have recently started to be advertised for people with no previous experience to become GD assessors in five days, and the questions would have been directed at the ORB how they were going to deal with this. <b>Action HD</b> to send training advertisement to the ORB and DECC. DT confirmed that DECC are mindful of the need to keep standards high without being overly bureaucratic, and that they are particular keen to reach members of RICS, RIBA and other chartered institutions. The Code of Practice requires Certification Bodies to ensure that the GD advisory bodies are using competent assessors, and as per the assessor specification, this involves checking individuals and not merely organisations. DECC have already picked up some cases where companies wrongly claimed to be GD accredited.</li> <li>• The quality of EPCs has suffered from a perverse incentive whereby certification bodies were responsible for setting up the system for training and registering domestic energy assessors (DEAs), and maximised their income by putting people through the system as quickly as possible, allowing candidates without any background in building services to be trained up in three days. This had been raised during the GD policy design phase, and Government confirmed they were aware of these issues and would put safeguards in place to avoid a repeat of this scenario. WG asked in how far this had been achieved.</li> <li>• NS added that from past experience with Gemserv on MCS, engagement with industry seems to be restricted to the Certification Industry, and reinforced the need for effective liaison.</li> <li>• <b>*Action EEPB</b> to highlight SH notes to main forum members when they are distributed, containing questions raised with the ORB this afternoon.</li> <li>• <b>*Action EEPB</b> to set up a meeting with the ORB, inviting members of the Maximisation Forum and the three other disbanded fora.</li> </ul>
–	<p><b>DCLG update</b></p> <p>During the Part L pre-consultation in 2011, this forum became the official Part L working group, charged with linking across existing buildings and GD; many of the recommendations made were reflected in the consultation document. HM confirmed that building regulations were not her policy area but that she would ask Bob Ledsome to send an update to EEPB for distribution – <b>Action *HM</b>. Eric Pickles has confirmed before Christmas that “at the moment” the department was not going to take forward the concept of consequential improvements; Government have been encouraged to incentivise energy efficiency retrofits, if not through the consequential improvements route, then through other means. AW announced that ACE intends judicially reviewing the decision to not take forward the concept of consequential improvements.</p> <p>31 Jan also is the closing day for comments on DECC’s electricity demand reduction consultation. There is a fundamental link between demand reduction and building regulations. GD’s success will also depend on building regulations and other stimuli. HM expressed DCLG’s intent on supporting DECC on these issues.</p>
4.	<p><b>Reach of the Maximisation Forum – Peter Farrand, DECC</b></p> <p>The various organisations and associations nominated to be on this forum may help with press coverage and to shift the focus of attention from policy design onto delivery, benefits and incentives.</p>

	<p>While press coverage so far is chiefly positive, concerns remain on the interest rate being too high or SMEs being locked out. DECC is keen to work with associations and professional bodies to convey information on the GD. Media partnerships could focus more on the “lifestyle” sections or magazines as this will grab people’s attention on the important comfort and quality of life arguments for refurbishments.</p> <ul style="list-style-type: none"> <li>• The National Housing Federation issues regular bulletins to members and holds national conferences. The ORB and DECC are also issuing regular stakeholder bulletins.</li> <li>• First port of call for householders will often be the LA enquiring about applicability of building regulations. LABC continue to work with DECC and the LGA on guidance.</li> <li>• There also is a <a href="#">Construction Industry Council</a> comprising RIBA, RICS and 30 other professional bodies.</li> </ul> <p>All forum member organisations could put information onto their website regarding GD and ECO, tailored to their audience, including, where appropriate, links to the DECC Quick Guides. To avoid inaccurate information being given, PF offered to produce a 1-page website template <b>Action PF</b>. Some member organisations working in the fuel poverty sector may not want to promote GD Finance as this instrument is not suitable for the majority of their customers, but would promote ECO, although there also is a concern about what the affordable warmth part may pay for. Case studies and success stories would be most useful to bring the information to life. Information provided to consumers should focus on comfort, bill-savings and protection against future rises, and the fact that the charge remains with the property, removing the obstacle of people being unsure for how long they’ll stay in the property.</p> <ul style="list-style-type: none"> <li>• The BPF recently launched a new PRS guide. Main added value is seen in the case studies and the explanations in layman’s terms; PRS sector members tend to over-estimate the costs and under-estimate the benefits of retrofits. A key message is about implementing GD measures on the back of other home improvement works.</li> <li>• For the commercial sector, the link between a higher EPC rating and a higher value of the building needs to be communicated. As for the domestic sector, this hinges on EPCs being promoted and their visibility being increased – amongst others, RICS is working on this.</li> <li>• In Australia it took seven years to get the message across but research now shows that refurbishments can increase the value of the building by 6%, which could be a big driver and very effective commercial proposition.</li> <li>• PM offered to provide some positive case studies from Bristol – <b>*Action PM</b></li> </ul>
5.	<p><b>Exemplar Homes – John Doggart</b> DECC have tendered the creation of a national network of open homes, building on existing exemplars and also adding new show homes. A re-tender had been necessary. The process is hoped to be brought to fruition by end-March.</p>
6.	<p><b>TG1: Commercial Properties – Ian Fletcher</b> There are two new groups called by DECC directly on the PRS regulations, one for domestic (see below) and one for non-domestic, chaired by Miles Keeping, the first chair of TG1. First meeting of both (back to back) will be 11 Feb.</p>
7.	<p><b>TG2: Owner Occupiers – Neil Schofield</b> (Also see notes on triggers and nudges in the DCLG update above) NS mentioned that throughout the work of the Maximisation forum and in particular the Owner-Occupier Taskgroup (TG2), various triggers &amp; nudges had been discussed, including VAT, stamp duty and council tax. As yet, nothing seems to have developed out of this; VAT seems to go into the opposite direction with legal challenges from the EU; council tax had been mentioned in particular by the SoS in the party conference speech, and TG2 had picked up the discussion and proposal in response to that.</p>
8.	<p><b>TG3: Private Rented Housing – Mathias Hessler in Dave Princep’s absence</b></p> <ul style="list-style-type: none"> <li>• On the PRS regulations, the group discussed what may be a “reasonable” refusal by a landlord to improvements requested by a tenant from 2016. It was clarified that requests can not only be made by tenants in F- or G-rated properties.</li> </ul>

	<ul style="list-style-type: none"> <li>Concerning the cashback, whoever pays most for the works will receive the cashback. If a landlord pays e.g. 30% upfront and the remainder is put onto the meter, the question remains whether it would still be the tenant receiving the cashback.</li> <li>It had emerged at the last meeting on 6 December that despite earlier announcements, there would be a level of credit checking prior to installing GD finance. The usefulness of this was questioned in the PRS with the relatively quick turnover of tenants.</li> <li>The new PRS regulation group DECC is establishing is separate to forum's TG3 / wider EEPB PRS Group, although membership is very similar. The DECC group will only look at the secondary PRS legislation and will only run a small number of sessions. Invitations to the PRS regulation group have been extended to members of the TG3. The EEPB PRS group will continue with its wider remit going forward.</li> </ul>
9.	<p><b>TG4: Social Housing – Martin Wheatley</b> (also see DECC update for discussion on SH providers' / LAs' access to ECO brokerage)</p> <ul style="list-style-type: none"> <li>At the meeting this afternoon, Gemserv will present on their ORB role, and some questions raised during this meeting will be asked.</li> <li>The National Insulation Association and SWIGA will also present on the status of the solid wall insulation industry and the new guarantee agency.</li> </ul>
10.	<p><b>AOBs</b></p> <ul style="list-style-type: none"> <li>The Green Deal Finance Company has said that about 80% of the population may be eligible for GD Finance given the level of credit checking applied. If even a few households fall into the other 20%, it could be a serious spanner in the works for large-scale delivery schemes.</li> <li>Regarding the future of the forum, as it currently stands the next meeting on 27 March will be the last, unless the minister or members decide otherwise. Greg Barker has announced his intention to take a view at the end of the FY on whether the forum should continue or not. The new ORB forums are different in remit and scope and do not duplicate the Maximisation Forum.</li> <li>For a person on a low income, the GD finance credit checks could cause problems even when they've left the property for which the GD was taken out. A further problem could be obtaining three quotes from separate GD providers, if this would lead to three checks being done. Several checks done in a short time can impinge on a person's credit rating. <b>*Action DECC to investigate.</b></li> </ul>
11.	<b>Close</b> Next meeting: 27 March 2013 (Wednesday)

Item	Actions from 31 <sup>st</sup> January Maximisation forum meeting	lead / comment
1	Ascertain whether the ORB's monitoring strategy ties in with the recast EPBD and/or the TSB Building Performance Evaluation.	<b>[monitoring strategy covered at 27/03/2013 Forum meeting]</b>
3	Bring SH notes to main Forum members' attention when issued.	<b>Done</b>
3	Set up a meeting with the ORB, inviting members of the Maximisation Forum and the three other disbanded fora.	<b>update given 27/03 meeting</b>
–	Ask Bob Ledsome for a DCLG update on building regulations	<b>update given 27/03 meeting</b>
4	Send case studies from Bristol to EEPB for circulation	<b>PM will circulate (via EEPB) when available</b>
10	Investigate impact of credit rating checks associated with GD finance on a customer's credit score	<b>DECC/EEPB – done: see email sent 1 Feb</b>