

Green Deal Maximising Energy Efficiency in Buildings Forum

notes from meeting held 3 October 2012 at the FMB

Attendance

1	Association for the Conservation of Energy	Andrew Warren – Chair	AW	
2	British Property Federation	Tom Younespour	TY	apologies from Ian Fletcher
3	Centre for Sustainable Energy	Phillip Morris	PM	
4	CIBSE	Jacqueline Fox	JF	
5	DCLG	Hannah-Jane McNamara	HJM	
6	DECC	David Thomas	DT	
7	DECC	Henrietta Isaac	HI	for ECO item
8	DECC	Peter Farrand	PF	
9	Energy UK	Lawrence Slade	LS	
10	Existing Homes Alliance	John Doggart	JD	
11	Fuel Poverty Advisory Group	William Gillis	WG	
12	Gemserv	Anthony Campion	AC	
13	Heat and Hotwater Industry Council	Neil Schofield	NS	
14	Local Authority Building Control	Paul Overall	PE	
15	Local Government Association	Abigail Burr ridge	AB	
16	National Housing Federation	Martin Wheatley	MW	
17	National Landlords Association	David Cox	DC	
18	Residential Landlords Association	Dave Princep	DP	
19	RIBA	Lynne Sullivan	LS	
20	RICS	Peter Bolton King	PBK	
21	EEPB	Mark Brown	MB	
22	EEPB (notes)	Mathias Hessler	MH	

Apologies

1	ARLA / NAEA	Ian Potter	
2	Forum for the Future	Will Dawson	
3	National Organisation of Residents Ass. (NORA)	Lorraine Barter	
4	Scottish Government	Ann McKenzie	

did not attend

1	BCO	Angus McIntosh	
2	CBI	Stephen Mayne	
3	Homes & Communities Agency	Michael Clegg	
4	Leasehold Advisory Service (LEASE)	Nicholas Kissen	

Summary Notes	
1.	<p>Future of the Maximisation Forum</p> <p>Greg Barker has confirmed that he would like this forum to continue meeting at least until the end of the FY. Three dates have been proposed by AW and only very few negative responses were received. DT confirmed that this form is <i>not</i> tasked with subsuming the open issues from the other three forums which are now officially dissolved.</p> <p>There was interest from the Welsh Assembly Government to be represented on the Forum. AW had raised a request to have all of GB's devolved administrations represented back in 2010.</p>
2.	<p>Notes and Actions from the Previous Meeting</p> <p>Notes and actions of the 1 May meeting were accepted without correction.</p> <p><u>Update on actions</u></p> <ul style="list-style-type: none"> • On tariff reform, a paper was distributed and discussed among the owner-occupier TG, and Richard Baines gave a presentation at the last meeting. The topic is considered relevant for all forum and taskgroup members. Action MH to send documentation to the other TG chairs. • The EEDO workshop session on non-residential properties originally planned for 15 April has been deferred. MH spoke to Chris Nichols who is in charge of this area, and who said that the workshop would happen in the new year, and that he would inform MH once a date is set. • Commercial properties taskgroup (TG1) links with SME group: this is obsolete as the group is no longer meeting. • On the prsgreendead website, the RLA need to supply the access details to MH.
3.	<p>ECO Brokerage – Henrietta Isaac, DECC</p> <p>The concept of brokerage for the ECO was introduced in the consultation and was generally received very well. Further consultation on this had been announced for the summer but was postponed due to another short consultation on ECO in-use factors that had to be completed first. ECO brokerage has four main objectives:</p> <ol style="list-style-type: none"> 1. Increase transparency in the market, allowing a more diverse range of GD providers to trade 2. Enable all ECO participants to trade confidently 3. Increase competition and thus 4. Make ECO more cost-effective <p>Brokerage will occur as an auction on a fortnightly basis (more often if required). DECC are completing the procurement process for a broker, and intend to have the system set up before the end of the year. The two main questions for the consultation are:</p> <ol style="list-style-type: none"> 1. Should brokerage be mandatory? 2. What share of ECO should be traded through brokerage? <p>The minister and Secretary of State have made it clear that they want brokerage to form a significant proportion of the ECO market, and that if set up as voluntary and found not to be used to adequate levels, it would become mandatory.</p> <p>Trading will be done anonymously. DECC want to avoid unnecessary restrictions to allow brokerage to best achieve its aims, but to reduce the risk of gaming, and of utilities identifying lots offered by their own delivery arms, unit costs for ECO “commodities” could be fixed, and/or offers could be submitted in “lot buckets” i.e. a ranges of tons of CO₂ savings or bill savings in 3/6/9 months.</p> <ul style="list-style-type: none"> ○ There is a live question debated with the NHF and LGA whether selling should be restricted to GD providers or whether LAs and RSLs should also be able to sell through brokerage, and if using ECO certified assessors and installers was achieving adequate levels of assurance over the quality of work and its delivery under ECO. ○ Concern was also raised about trade focussing onto a few sectors and tenancy types, and that unequal distribution was a concern under CERT and CESP; HI said DECC would monitor the auctions and address imbalances as necessary. She also mentioned the rural obligation (subtarget) under the carbon saving communities target. WG added that there are also higher carbon scores attributed to measures done in properties off the mains gas grid, but it remained to be seen whether this incentive was enough to compensate for the higher delivery costs.

	<ul style="list-style-type: none"> ○ The question was raised in how far brokerage was designed to encourage smaller GD providers. Only a high proportion of brokerage could help achieve this. ○ Brokerage is a futures market, and sellers will have to build in safety margins. HI replied that firstly there was a 10% tolerance in the brokerage contract, and that the penalty for under-delivery would be paying back the carbon price to the buyer, which could be a penalty if the carbon price has risen since the contract was made. Mandating a penalty other than that would be illegal under competition law. ○ The point was also made that there should be a mechanism for brokerage to assist with targeting vulnerable and fuel poor customers. Monitoring of distribution could also happen through the GD advice line. Customers who are turned away need to be recorded as well, to assess eligibility border effects. ○ It was also confirmed that scoring for ECO is entirely based on rdSAP, with the in-use factors providing safety margins for each measure. This also means that each property is individually assessed, and therefore savings cannot easily be predicted.
4.	<p>Green Deal consumer-facing factsheets – Pete Farrand, DECC</p> <p>The factsheets are now being finalised and are planned to go live next week. Action PF to send a pre-final version for review to MH for distribution. Further evidence from the Hard-to-reach panel will be fed into these once the report has been finalised.</p> <p>DECC is working with a communications planning agency, who presented their initial recommendations on Monday (1 Oct). Feedback from the hard-to-reach and women’s panels is reflected in these recommendations: GD needs to be clearly positioned within the general home improvement market; Government’s role is to establish trust and confidence; during the first two years, marketing should focus on people who are already considering home improvements (not necessarily energy-related).</p> <p>Communications would occur through a strong online presence and through working with delivery partners, plus a very limited amount of print advertising. This proposed approach is now with the minister for sign off, and then needs to go through the cabinet to achieve an exemption from the Government’s advertisement freeze.</p> <p>The fact sheets will be available directly from DECC but also used by delivery partners in conjunction with other materials they may produce (without alteration). DECC will encourage estate agents, mortgage lenders etc. to use them. PE added that local authority control teams should also be informed. The sheets will be as a PDF download, and DECC will not print them. They will probably be revised between now and January.</p> <p>The guides are intended to be simple and consistent, and to build heavily on learnings from previous attempts to communicate the Green Deal concept. There are:</p> <ul style="list-style-type: none"> ● A basic introduction ● One for the pre-assessment stage and one for the next steps after the assessment ● Several guides for specific audiences (social housing, private rented sector) ● One for moving home ● One on help available under the ECO ● One for business opportunities for the trade ● One specifically on consumer protection ● There will be a separate one for the non-residential sector which is in draft. There are some issues on how to communicate the finance instrument within this sector. <p>Early feedback from consumer groups was overall positive, particularly on the simplicity. PF also clarified the point that the sheets will be made available but not launched with a fanfare. The timings are tricky as the full GD offer is not available yet and the programme is in a market building phase, but DECC want to ensure guidance is available, and is working with stakeholders on how to communicate.</p> <p>DP said he was pleased that there was a leaflet for landlords and tenants, but enquired whether the general one also contained a remark that GD was available to landlords and tenants. This seems not to be the case, action PF to raise.</p>

5.	<p>Action taskgroup chairs to discuss at the next TG meetings and feed back comments to DECC.</p> <p>Oversight and Registration Body (ORB) – Anthony Campion, Gemserv</p> <p>The slides from Anthony’s presentation are available on Huddle. Gemserv are around 80 staff. The ORB role is provided thorough MRASCo, a key client operated within Gemserv.</p> <p>The ORB will be the central point of contact for all participants, managing and issuing licenses to use the GD Quality Mark, providing technical assurance and performance management, ensuring that installations meet the applicable quality requirements, and ensuring performance claims are adequate.</p> <p>In the current phase, focus is on registration and sign-up, generating interest in the Green Deal. A helpdesk and the GD ORB website launched on 8 August, and over the last three months, Gemserv have been running a series of workshops for prospective GD providers. Steps to become accredited are a pre-qualification process and a “fitness test” which assesses sales and marketing practices, complaints handling etc. Each application is submitted to the Secretary of State to approve. 120 organisations expressed an interest to Gemserv in becoming GD providers. Of these, 21 went through the pre-qualification process and are now undergoing the fitness test. Typically there will be 28 days from submission of complete paperwork to SoS approval.</p> <p>Gemserv also produced guidance particularly for installers, clarifying what is required of them in addition to their existing certifications.</p> <p>Management information will be reported back to DECC and the devolved administrations. Prior to Monday 1st Oct, only the 16 accredited certification bodies were listed, but now the two authorised providers so far, 7 assessors and 73 authorised installers have been added. Installers can be filtered by measure. The devolved nations are also working on geographical search criteria. While it is now launched, the online register is still undergoing improvements.</p> <p>Gemserv are now preparing guidelines on use of the GD Quality Mark, and also on misuse. It is recognised that several internet pages are using “Green Deal” references in confusing or misleading manner, but though the quality mark logo can be protected, the phrase “Green Deal” itself cannot.</p> <ul style="list-style-type: none"> ○ If an LA wants to use GD assessors and installers and access ECO funding but not use GD finance, DT deemed that the LA would not need to go through a GD provider. Action DT to confirm. The £200m GD launch incentive is only available through a GD provider. ○ Concern was raised about there only being 7 GD assessors but AC clarified that these are assessor companies not individual assessors, and PBK added that there was a pipeline of hundreds of assessors going through the training and certification process. ○ An individual assessor will have to become certified as qualified GD assessor, and the company will also have to register as GD advice organisation which involves additional cost. Concern was raised that this is not encouraging small operators to get involved. ○ AC confirmed that certification bodies work with individual companies, applying the assessor/installer standards at company level. As part of the certification process, the organisation has to demonstrate that the required share of their employees are qualified to the required levels, as per PAS 2030. ○ Gemserv’s charges during the first two years are covered by DECC so there is no registration charge. The oversight body is however envisaged to become self-financing after that. ○ Gemserv have mapped current certifications to PAS 2030, and though GasSave was found to cover most requirements, there are some additional criteria in PAS 2030 which applicants have to fulfil separately. ○ DECC and Gemserv are also looking into the level of checking required on UKAS’ technical assessment process. PE offered to contribute, as LABC are providing compliance testing for all of DCLG’s competent person schemes. ○ The question was also raised whether the monitoring and evaluation regime propounded by the ORB would tie in with the EPBD and/or TSB’s building performance evaluation methodology, as unsystematic monitoring risks losing significance and comparability. ○ The quality of EPCs fell as the number of domestic energy assessors increased; spot checking against the assessor standard (not PAS 2030) will be done by certification bodies. The question
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	<p>was also raised whether Gemserv's compliance regime ties in with the EPBD recast, mandating 0.5% of assessments to be independently verified – action AC to confirm.</p> <ul style="list-style-type: none"> ○ The core cities could also monitor the effectiveness of Gemserv's compliance arrangements. DT confirmed that councils will evaluate the suggestion to involve Gemserv.
6.	<p>Regional and Community Delivery (covered at the start of the meeting but notes inserted here)</p> <p>The Secretary of State mentioned in his party conference speech that he is working with DCLG on Council Tax banding. Work on this done by the Owner-Occupier taskgroup was dismissed 12 months ago. Action NS and MH to arrange a date for the taskgroup to meet to revisit the Council Tax discussion.</p> <ul style="list-style-type: none"> ● The seven core cities all run different activities and are building on programmes that are already ongoing. Most will have a show-home / exemplar home element to them, and most are working on solid wall insulation. The suggestion was made that with the funding provided, the core cities could support building regulation compliance and enforcement, and expedite some new elements e.g. the new competent person scheme (CPS) for SWI. ● DT clarified that the work in the core cities will focus on demonstrating technologies rather than the GD itself, as much of the work will occur before January. The retrofits will not necessarily use the GD system, but showcase what a home or tower block or commercial property could look like, which could then be used as examples for GD. Consequently, not all schemes will have to use GD assessments, but some of the work with private residents will be used to trial GD processes. ● WG asked how learning from the projects were gathered and published, to develop an evaluation/communication strategy across all tenures, including non-residential. ● Many smaller LAs have the attitude that they're left out compared with the big cities which are adequately resourced. WG asked whether DECC had any plans to address this. ● The core cities are all in England. Scotland is allocated a share of the core cities fund and just announced their plans on how to spend it. Wales is also linked into the scheme and will partake in the activity. Of the £205m total GD launch incentive fund, 5m goes to Northern Ireland but into their general budget and not targeted on housing or energy efficiency. The Green Deal programme applies to GB only.
7.	<p>TG1: Commercial Properties – Tom Younespour, BPF</p> <p>The group no longer meets. Regarding publication of the reports produced by the group, they are firstly for the minister only, but if they would be re-badged by the BPF, the minister would be happy for these to be put into the public domain.</p> <p>There also has been a separate meeting with DECC around increasing demand for the non-dom GD. One idea raised was to allow landlords to force refurbishments onto their tenants if they are paying the GD charge. Action TY to inform Secretariat about outcomes.</p>
8.	<p>TG2: Owner Occupiers (last meeting 17 Sept) – Andrew Warren / Neil Schofield</p> <p>The group discussed the £200m fund, ECO brokerage, had a presentation from Gemserv and from RB on his tariff proposal (see section 2, update on actions). The PRS legislation was also discussed and its enforcement aspects.</p>
9.	<p>TG3: Private Rented Housing (last meeting 24 July) – Dave Princep</p> <p>Discussed the potential for the ECO in the PRS, and on the hard-to-reach palen, DP flagged the lack of involvement of home improvement agencies working with vulnerable citizens (e.g. Care & Repair or «Foundations»). WG added that these agencies just had their funding substantially cut. Some members of the PRS group met with the Treasury on LESA and the proposal to extend it. Treasury requested further ideas for targeting and capping the total amount claimable to minimise liabilities on the taxpayer.</p>
10.	<p>TG4: Social Housing (last meeting 25 Sept) – Martin Wheatley</p> <p>ECO brokerage has also been discussed at this meeting, with a presentation from Vicky Dawe (available on Huddle). The group also debated the consultation on permitted development, primarily on extensions, and the (slight) chances of adding external wall insulation to the range of</p>

	permitted developments. Bankers' attitudes toward GD were also debated in a meeting the NHF had with the Council of Mortgage Lenders, where some myths and misconceptions could be cleared up.
11.	<p>AOBs</p> <p>The EEPB secretariat will shortly circulate a very short email asking for feedback on their performance as one of their KPIs.</p> <p>On the threat of removing the reduced rate of VAT from certain energy saving materials and microgen, the EU Commission will almost certainly take the UK Government to court. If the UK were to lose, the full rate of VAT would have to apply from the 2014 budget. This is particularly precarious for the energy efficiency and microgen markets as not only materials but also labour costs are covered by VAT.</p>
12.	<p>Close Next meetings (action MH to issue calendar appointments):</p> <p>29 November 2012 (Thursday)</p> <p>31 January 2013 (Thursday)</p> <p>21 March 2013 (Thursday)</p>

Item	Actions from 3 rd October Maximisation forum meeting	
1	DECC to confirm membership to Welsh Assembly	Invited
2	<p>Actions from the last meeting</p> <ul style="list-style-type: none"> MH to send documentation on tariff reform to other TG chairs RLA to supply login details for prsgreendeal.co.uk website to MH 	done done
4.	PF to send a pre-final version for review to MH for distribution; All to comment	done
5.	<p>DT to confirm whether an LA can use GD assessors and installers and access ECO funding without going through a GD provider</p> <p>AC to confirm whether Gemserv's compliance regime ties in with the EPBD recast, mandating 0.5% of assessments to be independently verified</p>	done pending
6.	NS and MH to set date for taskgroup to meet to review the Council Tax paper and to make recommendations to DECC	done
7.	TY to inform Partnership Secretariat about outcomes of their meetings with DECC on increasing demand for the non-domestic Green Deal	Note being distributed
12.	MH to send calendar appointments for next meetings	done