Department for Communities and Local Government

2012 consultation on changes to Part L of the Building Regulations

Proposals for consequential improvements in existing homes: report of focus groups

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Executive Summary

The Department for Communities and Local Government (DCLG) has commissioned AECOM to research and examine the views of small businesses (gas safe engineers, competent persons, small builders and small architects) and building control officers on proposed changes to Part L of the Building Regulations. These changes would require homeowners to carry out consequential energy efficiency improvements to the rest of their property when they replace their boiler or a proportion of windows[1], when they add an extension or when they convert a loft or integral garage into living space[2]. Consequential energy efficiency improvements could include cheaper measures such as loft insulation, or more expensive measures like a new boiler, and the intention is that the cost of the consequential measures should be proportionate to the cost of the original 'trigger' works. The proposals are linked to the Government's plans for a 'Green Deal', a financing mechanism which will allow homeowners to get energy efficiency measures at no upfront cost, paying back through the savings on their energy bill. Full details of the proposals are set out in the DCLG consultation document.

The proposals are part of a package of changes to the Building Regulations published for consultation by DCLG in January 2012, and this research is part of the consultation exercise. All the proposals described in this report are subject to consultation, and nothing in this document is a statement of Government policy.

The research objectives are as follows:

- Understand whether the proposed delivery/compliance processes of consequential improvements will work in practice; and
- Gather small businesses and building control officers' ideas on how the processes can be improved.

The consequential improvements requirements would have different steps – triggers, information, assessment methods, installation and compliance - and participants were questioned on these in sequence.

Our approach:

- Four focus groups were held (two groups looking at the proposals related to replacement boilers and windows, with boiler and windows specialists, and two groups looking at the extension/conversion proposals, with general builders and architects) to investigate their views on how the process of consequential improvement requirements could be eased and improved to benefit both homeowners and small businesses.

This report details the findings from the four focus groups. A summary of the key findings on the stages of the process are detailed below. The problems which

[1] In the rest of this document, these proposals are referred to as the shorthand term 'boilers and windows'

[2] In the rest of this document, these proposals are referred to using the shorthand term 'extensions and conversions'. The term 'conversions' only refers to the conversion of lofts and garages into living space, not 'conversions' of (for example) a commercial building into a home.

participants raised and solutions they have suggested are addressed in more detail throughout the report as well as in the Recommendations Chapter (Chapter 3).

Informing homeowners

Participants in the boilers/windows groups were informed that gas safe engineers and competent persons would be responsible for informing homeowners of the consequential improvement requirements.

Those in the extensions/conversions groups were informed that Building Control would inform homeowners of the consequential improvement requirements following an application for an extension or conversion.

Some concerns were raised with these proposals, but participants also suggested how boiler/window fitters, builders and architects could be helped to deal with this stage.

As the trigger is different for each, the key findings for boiler/windows and extensions/conversions are reported separately.

Boilers and windows

The majority of the gas safe engineers and competent persons were very negative towards the idea that they would be responsible for informing homeowners of the consequential improvement requirements. Participants raised the following points:

- Would it be best to inform homeowners of the requirements at the quotation stage and potentially risk losing the work because of the increased cost; or at the completion stage and risk losing the trust of the homeowner?
- Given the current difficult economic climate increased costs would make it harder to win work – homeowners may be deterred from getting the work done or delay commissioning the work
- It may present larger companies with an opportunity to squeeze the smaller businesses out of the market because they can add the requirements into existing ‘packages’
- There was concern that by leaving the responsibility to inform homeowners to gas safe engineers and competent persons, it could increase dishonesty in the market. It potentially presents rogue traders with an opportunity either to not inform homeowners of the requirements (to keep costs down), or to inflate the requirements and ‘rip people off’. Furthermore, homeowners may be less trusting of smaller companies than larger companies when being informed about extra costs necessary for consequential improvement measures.

Numerous suggestions were offered to improve the process of consequential improvements being triggered:

- Participants thought that a Government advertising campaign would be essential, to educate homeowners about the requirements and relieve tradesmen of the full responsibility to inform homeowners. This would help to increase homeowners’ awareness of their costs being increased and therefore

hopefully lessen the amount of work lost due to costs. It would also reduce suspicion of rogue trading and opportunities for rogue trading because homeowners would be aware of the requirements
- The Government could develop an 'Industry Standard' set of words which would be used on all certificates detailing that the homeowner would need to complete the consequential improvements
- A Green Deal Logo designed for small businesses could increase homeowners trust in small tradesmen. Linked to this could be a Business Partner Scheme to help trades recommend other trades who could carry out the consequential improvements. Both could help to prevent monopolies taking over the market.

Extensions and conversions

The majority of participants in the Extensions and Conversions groups thought that the trigger process – that the requirements would be triggered when the householder planned an extension or loft/garage conversion and submitted the associated application to Building Control - was satisfactory. The following points were raised:

- There was apprehension that the scope of the requirements would not be made clear
- It will be too late to leave it to Building Control to inform the householder about the potential requirement for consequential improvements. Homeowners will expect builders and architects to inform them before the application is made. In reality it was thought that builders and architects will discuss the requirements with homeowners before a building regulations application is made because it will impact on the homeowners' plans and budget
- Some participants thought that the increased cost would make it harder for them to win work. But on the whole it was thought that there would be more work opportunities for small building and architect businesses if the homeowner employed them to do both the original and consequential works.

Builders reported that projects often go over budget; therefore consequential improvements (at additional cost) would be unwelcome, despite the long-term benefits.

There needs to be clarity as to whether the costs for consequential improvements are based solely on the design and build costs, or also the fit out costs. If they include the fit-out costs, the consequential improvement measures required would be less if the homeowner elected to carry out the fit-out under a separate contract.

To help builders and architects discuss the requirements with homeowners, a simple savings calculator would help to work out the potential savings following consequential improvements.

To help small businesses remain competitive, subsidised courses on consequential improvements would help small builders to be able to offer to do consequential improvement works.

Information on consequential improvements requirements

All participants were asked for their general opinions on existing regulatory guidance and also for their ideas on what information homeowners would need to understand consequential improvement requirements, and how they would access it.

The key findings for boiler/windows and extensions/conversions are reported together.

Existing guidance is hard to understand, mainly because it is not written in 'every day' language. Participants also complained that Guidance is changed too frequently.

Homeowners will need clear information on:

- How much they will save if they do the consequential improvements
- When consequential improvements are / are not required
- The time period in which they must get the improvements done following the original work

The internet, the Planning Portal and mail shots were suggested as the best mediums to use to inform homeowners and businesses of the new regulations.

Although it was noted that not everyone has access to the internet – so hard copies and a telephone advice services would be helpful.

The new requirements will increase the workload for Building Control as homeowners will call them to clarify and confirm the requirements.

The key solutions suggested included:

- Guidance needs to be clear and written in simple concise language.
- A Government backed publicity campaign would help homeowners to understand the requirements and therefore take some of the pressure off tradesmen having to inform their clients.
    - The boiler/window groups thought such publicity would be essential while the extensions/conversions groups thought it would be useful.
    - It was thought that a campaign should reduce problems with rogue traders either misleading homeowners by saying that consequential improvements are not necessary, or by inflating the requirements to make more money.

The **boilers/windows** group were asked for their opinions on a list of **four consequential improvement measures** (including loft insulation, cavity wall insulation, hot water cylinder insulation and draught proofing of single glazed windows).

- The list of four measures was considered too narrow and inflexible.
- It was thought that such a small list would force homeowners to get something done which was not necessarily the best option for their home.

- By providing a list concern was also raised that homeowners would opt for the cheapest measure, but that this would actually penalise people who have already invested in the cheaper measures such as the hot water cylinder jacket.
- To improve the list, it was suggested that improving the energy efficiency of the windows/boiler could actually be classed as a consequential improvement.

The **extensions/conversions** group were asked for their opinions on a list of around **30 consequential improvement measures** from which measures could be selected (i.e. there would be no requirement to carry out the whole list).

- A list of 30 measures was considered a good idea because it offered the homeowners flexibility to choose an affordable and appropriate measure for their home.
- However, it was highlighted that homeowners would be likely to pick the cheapest measure rather than considering how energy efficiency measures link together and have knock-on effects for the whole building and therefore calculating which would be the best measure for their home.

Assessment methods for consequential improvements requirements

Participants were informed that homeowners would be able to choose between three proposed assessment methods including

- Green Deal Assessment
- Energy Performance Certificate Assessment
- Self-Assessment (own research or advice of builder or architect or other trade)

The key findings for boiler/windows and extensions/conversions are reported together.

GREEN DEAL ASSESSMENT

Positives

- The boilers/windows groups in particular thought that the Green Deal assessment method would benefit their industry because it would reduce the pressure of having to explain the requirements to their clients.
- In turn, having an independent Green Deal assessment may also reduce the pressure on the tradesmen having to get quotes from sub-contractors[3] and having to give advice to help the homeowner choose which consequential measure to install
- It was also considered as the safest option because an assessor would be fully qualified to consider the house as a whole and therefore better placed to make recommendations on appropriate energy efficiency improvement options

[3] Depending on the business model, quotes may still be required.

Negatives

Quotations for consequential improvements work may vary.

- This could cause problems because the Green Deal assessment (that includes prices for consequential improvements) could be too high or too low.
- If quotes for consequential improvements were rolled into the assessment, prices could be inflated. Quotes for the same work can vary widely depending on overhead, so there is potential for Green Deal providers to not offer homeowners value for money.
- Equally if the Green Deal assessment does not include prices for consequential improvements the homeowner is then inconvenienced by having to get quotes for the work.

The estimated costs for consequential improvements were considered unrealistic. Particularly the £15 estimate for the cylinder jacket.

The fee for a Green Deal assessment is another cost for homeowners

- Moreover, if a Green Deal assessment costs £120, it could be out of proportion to the consequential improvement if the consequential improvement chosen is only £15 (for example when installing a new boiler or windows).
- A Green Deal payback period of, say, 20 years may be too long because homeowners will find it hard to value financial benefits that will happen in 20 years' time.

ENERGY PERFORMANCE CERTIFICATE ASSESSMENT METHOD

Positives

- In general it was thought that the Energy Performance Certificate method would result in more work being generated for both boilers/windows and extension/conversions sectors.
- The Energy Performance Certificate method identifies consequential improvement recommendations at no extra cost to the homeowner.

Negatives

- Not everyone has an Energy Performance Certificate – those who do not have an Energy Performance Certificate would need to pay for one at a cost of around £40-50.
- There may be safety risks implicated in letting homeowners choose consequential improvement measures because energy efficiency is a technical area and needs considering by a professional e.g. could lead to under-ventilation.
- The Energy Performance Certificate may also encourage DIY. It was highlighted that DIY can often be dangerous, particularly DIY loft insulation because it can inhibit a house from 'breathing' and is often dangerously laid over electrical wires.
- The Energy Performance Certificate is more likely to be ignored by landlords who rent out properties or landlords may choose lower cost, less appropriate measures.

- Homeowners who have already followed some lower cost Energy Performance Certificate recommendations may be penalised if they then decide to replace their boiler or windows and are subsequently required to do higher cost consequential improvements[4] (for example they have already installed hot water cylinder insulation and draught proofing and are then required to either insulate their loft or cavity walls).

Solutions

- Information is key. Information will need to be provided to businesses and homeowners to help improve the decision making process and ensure safety if an Energy Performance Certificate is used to determine which energy efficiency measure will be implemented.

NON-FORMAL ASSESSMENT METHOD

Positives

- The extensions/conversions groups saw the non-formal assessment as more of an opportunity to advise their clients and subsequently win more work if they were capable of installing the consequential improvements.
- Some architects perceived an opportunity to charge clients for advice on consequential improvements.
- Homeowners may save money because there would not be any separate assessment fees and they would not need to bring in a different assessor.

Negatives

- Boiler, window, extension and conversion specialists could potentially be giving advice which is outside of their area of expertise.
- The boiler/window groups were more negative than the extension/conversions groups because they thought it was more unlikely that they would win the additional work, so it seemed like more of a waste of their time to be asked to give their advice.
- Training costs would be added to the business overhead.
- Loss of business for small firms (especially boiler and window fitters), if homeowners prefer to go to larger companies who can do both the original works and advise and implement consequential improvements.
- There is the potential for either homeowners or professionals to choose less appropriate measures and this could cause safety concerns.

Installation of consequential improvements

In terms of the installation stage of consequential improvements , the boilers/windows participants were much less positive than the extensions/conversions participants about the role they could play.

[4] On the assumption they would have to implement one or two measures rather than the whole package of four.

The key points raised in all of the groups were:

- Extensions/conversions groups were more positive. Homeowners may employ businesses to do both the original and consequential works (rather than DIY) which increased the potential for more work.
    - Extension/conversion participants were more enthusiastic in terms of undertaking training to improve their business offering.

- The participants in the boilers/windows groups were predominantly negative about being able to have a role in the installation stage of consequential improvements.
    - They were much less positive about undertaking additional training to undertake consequential improvements as the measures are unlikely to link to their existing skill-sets/trades.

- Great concern was raised by both groups that the installation stage of consequential improvements would benefit bigger businesses that are able to do both the original work and consequential improvements.
    - This could potentially squeeze out smaller companies who are not able to do both the original work and consequential improvements.

The key solutions suggested to support the installation stage included:

- Help business network – accredited scheme.
    - Boiler and window businesses in particular thought that they would need help to network to enable them to recommend companies who could do consequential improvements to homeowners.
    - An accredited scheme was suggested to help companies recommend each other.

- Courses on installation of consequential improvements.
    - The extension and conversion groups were keener to attend courses to increase their service offerings. But highlighted that these courses would need to be affordable.

Compliance with consequential improvements

Compliance was the area all participants were most concerned about. As the process of compliance differed, the findings from the boiler/window and extension/conversion were reported separately.

BOILERS AND WINDOWS

- It was seen as unhelpful that Building Control would have the legal power but not the man-power to check that consequential improvements following boiler or window replacements had been done.
- The group felt that non-compliance would be widespread as the process would rely on the honesty of tradesmen and homeowners.

Potential solutions suggested by boilers/windows groups:

- Requiring consequential improvements to be officially assessed would improve compliance, though at a cost to the homeowner, as this is the only way Building Control could recover their costs.
- Extending the time period in which to undertake consequential improvements to two, three or five years could aid compliance.
- Withholding certification until consequential improvements have been completed or making certification invalid without consequential improvements being completed on time (for example issuing a certificate stating that consequential improvements have to be undertaken to validate the certificate). It was noted that homeowners would then be encouraged to comply with the consequential improvement requirements because when they come to sell their home they would need valid certificates for all the work done to the property. However, this motivation to comply would not apply if the homeowner did not intend to sell their house.

EXTENSIONS AND CONVERSIONS

The majority of participants did not think that the responsibility for justifying decisions on consequential improvements should be left to the homeowner. Homeowners will expect their builder or architect to do this.

Final completion certificate(s):

- If (as proposed) only one final completion certificate is issued on both the original and consequential works this could be unfair on smaller businesses if two companies had been involved in the work, because it could delay final payments if some of the work was not able to be signed off.

If Building Control had to sign off work twice, it would increase costs for homeowners because they would have to pay for two assessment fees.
Potential solutions suggested by the extensions/conversions groups:

- Participants thought that the crux of compliance would be convincing homeowners of the savings and benefits of having the consequential improvements done.

1 Introduction

1.1 Background

In January 2012 the Government issued consultation proposals on potential changes to Part L of the Building Regulations to require homeowners to carry out consequential improvements (energy efficiency improvements) when they replace their boiler or a set number of windows, or when they add an extension or convert a loft or integral garage into living space. The improvements could be linked to the 'Green Deal' whereby the consumer will be able to get the upfront cost of the measures paid for by a Green Deal provider and then pay for the measures through the reduction in their energy bill. The proposals set out that consequential improvements would only be required where:

- Defined notifiable building work is already planned
- Green Deal finance is an option to offset any upfront costs (should the building owner wish to choose this financing route)
- The consequential measures are in proportion to the nature and cost of the original work, and are technically, functionally and economically feasible.

As part of a wider stakeholder consultation, the Department for Communities and Local Government (DCLG) wished to undertake research with small businesses including gas safe engineers, competent persons, small builders and architects, as these groups are least likely to take part in the formal consultation. In order to understand compliance/enforcement issues, building control officers and approved inspectors were also included in the research.

Qualitative research was therefore required to understand these groups' attitudes to the proposed requirements and delivery / enforcement approach in depth.

1.2 Main aims of the research

- To test whether the proposed delivery/compliance processes work.
- To provide small businesses and building control officers with the opportunity to discuss in detail their suggestions and ideas on how to make the process of getting consequential improvements to work in practice.
- To capture views from people who will not respond to the written consultation or attend events – i.e. people 'at the coalface', not umbrella bodies or trade associations
- To provide qualitative feedback to inform the development of final policy and inform the small firms impact test (which is needed for the impact assessment).

1.3 Methodology

Four qualitative focus groups were used to fit within the timescale and budget.

- Deliberative techniques were used to gather uninformed and informed views and to guide participants through the consequential improvements process.
- Projective techniques were used throughout the focus groups to encourage the participants to think from the point of view of their clients - the homeowners.

- Separate groups were held with those involved in boiler/window installations and extensions/conversions to gather qualitative information on the contrasting processes.
- To ensure that views from contrasting geographical areas were to some extent represented, two groups were held in the South and two in the North.

Incentives were offered to encourage appropriate senior professionals to take part. All participants were key decision makers in the business and so were able to input their views on the potential impacts of the Consequential Improvements on their business.

Details of Attendees:

Extensions/Conversions (North) Builders x 2 Architects x 3 Building Control x 1 Approved Inspector x 1	**Extensions/Conversions (South)** Builders x 3 Architects x 3 Approved Inspector x 1
Boiler/Windows (North) Competent Person (Windows) x 3 Gas Safe Engineers (Boilers) x 2 Building Control x 2	**Boiler/Windows (South)** Competent Person (Windows) x 3 Gas Safe Engineers (Boilers) x 1 Building Control x 2

2 Main findings

2.1 Introduction

This Chapter presents the main findings from the focus groups, structured around the following key themes:

- General views on Consequential Improvement Requirements being introduced for the Domestic Market
- The Green Deal
- Triggers for Consequential Improvements
- Information about Consequential Improvements
- Assessment Methods for Consequential Improvement
- Installation of Consequential Improvements
- Compliance of Consequential Improvements

2.2 General views on consequential improvement requirements being introduced for the domestic market

Participants were informed about consequential improvements and asked for their general opinions. As the requirements differ for the boilers/windows and extensions/conversions sectors their views have been reported separately.

Boilers and windows

2.2.1 Uninformed views on consequential improvement requirements

The groups were asked (before being informed in detail) if they were aware of the proposed changes to Building Regulations in terms of consequential improvements. In all the groups it was the participants from Building Control who were most well informed about the idea of consequential improvement requirements and understood the premise that a certain amount would need to be spent in addition to the original budget, with the purpose of making homes more energy efficient.

To clarify the consequential improvements to the boiler and window groups, the moderator detailed the following:

> *This research is looking at options for introducing new requirements where a homeowner replaces a boiler or replaces a specific number of windows (this could be 50% of the windows in the home, or 50% of the windows in one elevation, but this has not been decided yet). The Building Regulations (which already cover this work - for example by setting energy efficiency standards for the replacement boiler or windows, and ensuring that the gas installation is safe) would be used to require the homeowner to make extra energy efficiency improvements to the rest of the house - like installing loft insulation.*
>
> *A replacement boiler or windows should increase the energy efficiency of a home. The rationale for introducing consequential improvements is that if the homeowner installs other energy efficiency measures around the same time as the boiler/window replacements, they will get even greater savings on their fuel bills, and it will also help the country meet its climate change targets.*

2.2.2 Informed views on consequential improvement requirements

Concern was raised by the boilers/windows participants that their market was being targeted for consequential improvements at the expense of other markets. They said they felt 'picked on' and they questioned why other heating methods such as log burners etc would not result in consequential improvement requirements.

A number of problems were raised regarding homeowners having to spend more money:

> *"(With boilers and windows), you are penalising people for improving their homes." (North Boilers and Windows)*

While the majority of respondents thought that homeowners do care about the environment and will understand the advantageous goals of the requirements, they thought that because the requirements will involve people sending more money, it will need to be sold.

> *"It needs to be sold to the customer. It's got good intentions…but customers feel it's' another tax" (South Boilers and Windows)*

Participants in the boiler and window focus groups were clear that this requirement could result in them losing money because the requirement will push people out of their budget and deter them from doing the work.

> *"People have a budget. They won't cover it. Possibly they will cut back on the number of windows they have replaced." (South Boilers and Windows)*

Additionally, those in the boiler industry were worried that it seemed particular unfair on their clients because replacing a boiler is often a 'distress purchase' (not a planned project like doing an extension or conversion). In this case they thought it unreasonable to ask for homeowners to spend more, particularly when they will already be upgrading the energy efficiency of their home by having a new boiler. It could mean that to stay within their budget and afford a new boiler and the consequential improvements, the homeowner may be forced to buy a cheaper boiler. (South Boilers Windows)

SOLUTION – HOW MUCH CAN HOMEOWNERS SAVE?

As a solution to these problems, participants suggested that it will need to be made clear how much money homeowners can save by replacing their boiler and insulating their loft. Boiler and window fitters will need to have clear information that shows homeowners that the additional outlay is money well spent because they will be reducing damage to the environment and making savings in the long run.

VIEWS ON THE TYPES OF WORK TO BE INCLUDED AS CONSEQUENTIAL IMPROVEMENTS

Loft insulation, draught proofing, heating controls, new radiators were all suggested as means to improve energy efficiency.

For windows specifically, participants in the boilers/windows group in the South thought that appropriate energy efficiency improvements should include loft insulation. However there was concern that the impact of a combination of energy efficiency measures is actually not good for a house because houses 'need to breath'. Installers and home owners need to understand the wider impacts of each energy efficiency measures. Moreover there was a perception that some energy efficiency improvements are installed poorly, particularly in the DIY market, thus not delivering the energy efficiency in practice.

> *"Lots of 'energy efficiency' is done badly…especially loft insulation. "(South Boilers and Windows)*

Participants were shown typical costs of possible consequential improvements as follows:

Energy Efficiency Measure	Installation Cost in a typical house
Hot Water cylinder insulation	£15
Draught proofing	£104
Loft insulation	£409
Cavity wall insulation	£447

Participants thought that the information needed improving. The £15 cost for insulating a hot water cylinder was considered inaccurate because it does not include labour time. But participants also thought it was misleading because it shows a low cost option which most homeowners will not be able to choose because more modern hot water cylinders come insulated already.

Draughtproofing of windows was thought to be potentially ineffective because it depends on how good the windows are. It was also highlighted that people try to draughtproof windows themselves unsuccessfully because the draught causes condensation which destroys DIY draughtproofing materials.

Thermostatic Radiator Valve (TRV) - a self-regulating valve fitted to hot water heating system radiators which controls the temperature of a room by regulating the flow of hot water to the radiator was suggested as an alternative consequential improvement measure because it is cheap and easy to fit at the same time as a replacement boiler. However, including thermostatic radiator valves as a consequential improvement for window replacements was deemed expensive as the heating system would need to be drained down first and the cost of this was thought to be around £400-£500.

For new boilers specifically, participants in the boilers/windows group in the South thought that appropriate energy efficiency improvements should include thermostat programs – zoned areas in the house.

Moreover, there was great positivity towards the idea of allowing homeowners to either get more windows replaced, or to get better energy efficiency rated windows. Greater flexibility like this in the consequential improvement measures was considered to help small businesses sell the idea to their clients.

Homeowners will go for the cheapest measure which they have not already got.

APPROPRIATE THRESHOLD FOR WINDOWS

Given that for windows, it would not seem reasonable to trigger a consequential improvement if only one window was being replaced, participants were asked how a threshold would need to be set.

The size of the house was thought to be an important factor. The point was raised that if consequential improvements are set at a percentage of windows of the house, homeowners could replace their windows in batches just under the percentage threshold chosen and therefore avoid consequential improvement requirements. This suggests that setting a threshold may be impractical.

Extensions and conversions

2.2.3 Uninformed views on consequential improvement requirements

Some participants (usually the Building Control officers) had heard of consequential improvement requirements.

The moderator clarified the proposals for consequential improvements required for increases in habitable space as follows:

> *This research is looking at options for introducing new requirements when a home owner increases the habitable space in their home through installing an extension, or undertaking a loft or garage conversion. The Building Regulations (which already set standards for the extension - e.g. on drainage, energy efficiency, fire safety) would be used to require the homeowner to make extra energy efficiency improvements to the rest of the house - i.e. not the part of the house where the works were being carried out. Rules would be set to make sure that the extra requirements were proportionate, for example by setting a cap on the cost of the improvements, relative to the original works.*
>
> *Increasing the habitable area in the home, through an extension or garage/loft conversion, generally results in increased energy use and carbon emissions from the home. So the rationale for introducing consequential improvements is that upgrading the energy efficiency of the rest of the house will help offset the increase in carbon emissions from the new living space, helping the country meet its climate change targets and offsetting some of the increase in the homeowner's fuel bills resulting from the new living space.*

2.2.4 Informed views on consequential improvement requirements

While it was thought that customers would be 'irritated by being told to spend more money', it was noted that homeowners are already thinking about how they can make their homes more energy efficient in order to save money on fuel bills. Phrasing the consequential improvements as 'recommendations' rather than 'requirements' was suggested by a few participants.

> *"Customers won't be happy…but most are doing subconsciously without being forced to – a lot of clients want to increase insulation, have green heating (wood burning stoves)…when people feel they have to do it (that creates) a problem." (South Extensions and Conversions)*

The main barrier to consequential improvements being positively received is the fact that it requires homeowners to spend more money – which in this economic climate is not seen as fair

> *"It's been a long time since I've had a client who wants to spend extra money." (South Extensions and Conversions)*
>
> *"If they spend extra money, it's on gizmos (suggested flat screen TV) and plush stuff…consequential improvements will go down like a lead balloon." (South Extensions and Conversions)*

This highlights the importance of being able to present homeowners with the information that the improvements are actually an opportunity for them to save money by reducing their fuel consumption.

> *"People will want it…if they are saving money" (South Extensions and Conversions)*

Some did think that some homeowners may be dissuaded from doing the original extension or conversion works because an additional 10% on top of already tight budgets could be a large amount of money. Additionally the builders reported that builds often go over budget as it is, so the actual amount of consequential improvements would then increase to meet the 10% threshold.

A potential solution to this problem was to produce 'easy calculators' which could be used to convince homeowners of the financial benefits of getting the consequential improvements done.

> *"Need easy calculators…a simple conversion for the residential market." (South Extensions and Conversions)*

Participants in the extension and conversion focus groups were much more positive than those in the boilers/windows groups in that consequential improvements would result in increased business as the additional works have to be done and they have the capability to undertake them as well as the original works.

Architects in particular were less concerned about the impact of consequential improvements on their business because their role remains unchanged – their role will still be to inform their clients of what can and cannot be done, and what building requirements they will have to fulfil.

> "*For me it won't make any difference…my fees are the same" (South Extensions and Conversions)*
>
> *"Our job is to advise them and present them with all the information, so it doesn't affect us either way." (South Extensions and Conversions)*

It was highlighted that clients are able to do more research now with such high levels of access to the internet. As such, homeowners are generally more aware of Building Regulations which may ease the pressure on builders and architects as they may not have to educate some homeowners.

> *"Carbon emissions. People are concerned about it and look into it if they are having an extension done before they do it…they'll often tell us what they want. They'll be prepared." (South Extensions and Conversions)*
>
> *"People are a lot more clued up and doing much more research." (South Extensions and Conversions)*
>
> *Views on 10% Threshold*

Participants were informed that the current proposed threshold for the value of consequential improvements is 10% of the cost of the original works.

> *The proposal is that 10% of the cost of the principal works would be given as a guide to the sum that should be spent on other energy efficiency improvements, where this is cost effective. For example, approximately £3,000 of consequential improvements would be required for an extension costing £30,000.*

It was queried whether the 10% would be based on the budget for materials or labour or both. This will need to be clarified to make it fair and clear for homeowners.

It was debated whether including labour would increase competition because homeowners may opt for a cheaper quote (including cheaper labour) to reduce the amount they would have to spend on Consequential Improvements. Increased competition on price was seen as damaging in the already 'cut throat' environment.

"The goal is a good goal. It may give everyone more work…but also more cut throat pricing." (South Extensions and Conversions)

As an alternative, participants suggested that homeowners could be provided with a check list of measures. Homeowners would look at the checklist of measures, starting with the cheapest – and the homeowner would have to install all the measures on the list up to the threshold value (potentially up to 10%). Obviously the homeowner would not have to install measures that they already had[5]. This could be unfair on homeowners who had already made some effort to increase energy efficiency and had already installed some of the cheaper measures.

Participants also raised the point that that some jobs include the whole package (design, build and fit) whilst others just include design and build. The concern is that a homeowner could get an extension done for £30,000 and then fit/kit it out on a separate contract, whereas another homeowner could spend £30,000 on an extension and separate extra £10,000 on fixtures and fittings. The total spend for both homeowners would be £40,000 so both would have the same extension, but one homeowner would be required to have £3,000 worth of Consequential Improvements and other would be required to have £4,000 worth of Consequential Improvements. This highlights the importance of considering and clarifying what costs the Consequential Improvements would be based on.

"You don't get a lot for £30,000. Does that include all fixtures and fittings? Consequential improvements are done to improve the fabric of the building." (South Extensions and Conversions)

As the Consequential Improvements are done to the fabric of the building some participants thought that the amount spent on improvements should be based on the build cost excluding fixtures and fittings:

"If the budget which is used to determine the amount that should be spent on consequential improvements is based just on materials for the fabric of the building, then the budget for consequential improvements comes right down – more achievable…most people want to improve their homes, the only problem is the cost." (South Extensions and Conversions)

Views on the Types of Work to be Included as Consequential Improvements

Without prompting, participants suggested that the following energy efficiency measures be included as consequential improvements:

- Insulation for heat loss
- Under floor insulation/heating
- Solar thermal panels
- Energy efficient windows

Using the £30,000 extension example and the 10% threshold as a guide, the builders and architects were unsure which effective energy efficiency measures could be implemented for £3,000.

"£3,000 won't go far" (South Extensions and Conversions)

[5] This is similar to the non-formal assessment methods which are discussed in more detail in Section 2.7.

Participants were shown typical costs of possible consequential improvements as follows:

Energy Efficiency Measure	**Installation cost in a typical house**
Hot water cylinder	£15
Draughtproofing	£104
Thermostatic radiator valves	£240
Loft insulation	£409
Cavity wall insulation	£447
New boiler	£2594
Internal solid wall insulation	£8400
External solid wall insulation	£10976

Participants generally agreed that the measures presented in the table should be included as consequential improvements; however the builders and architects in the groups would prefer a longer, more flexible list to ensure that suitable energy efficiency measures are implemented in relation to the type/size of a house and other measures that have already been implemented.

> *"You're compressing people into certain regimes of improvement – it's not flexible enough…so they won't comply…need choice." (South Extensions and Conversions)*

> *"Need flexibility because all buildings are different and need different things to make them energy efficient." (South Extensions and Conversions)*

The typical costs presented in the table were deemed as being too low and in reality, likely to differ between supplier and property etc.

> *"Costs look a bit low" (South Extensions and Conversions)*

> *Would consequential improvements increase the value of homes?*

Some thought that consequential improvements would increase the value of homes. This could be a benefit to sellers as they would get a higher price for their more energy efficient home. But it would also benefit the buyer because it saves them having to do the work.

> *"Good if you want to sell your house as the work is done." (South Boilers and Windows)*

Others thought that the market is still some way off appreciating energy efficiency, and that other factors such as kitchens, décor and good schools nearby would still be the main elements that would influence house buyers:

> *"(When buying a house) what would you be looking for?... That the windows had been done? I know what my Mrs (would look for)…kitchen, décor, if we have to decorate. She wouldn't be looking at the windows and doors. And (is there) a good school nearby?" (North Boilers and Windows)*

2.3 The Green Deal

Participants were asked for their uninformed and informed views about 'The Green Deal'. As the Green Deal proposal is similar for boiler/window installations extensions/conversions their views are presented together.

2.3.1 Uninformed views of the Green Deal

In all of the groups, a few respondents had heard of the Green Deal:

> *"You can apply for funding to undertake energy efficiency measures, and you pay that back through the savings in your energy bills." (South Boilers and Windows)*

The Extensions and Conversions group in the South had very little accurate awareness of the Green Deal. Participants wondered if it related to 'solar heating' or 'grants'.

The Green Deal was clarified to participants as follows:

> *The Green Deal is a new financing mechanism to enable private firms to offer domestic and non-domestic consumers energy efficiency improvements to their buildings at no upfront cost, and to recoup payments through a charge in instalments on the energy bill. The idea of the Green Deal is that the monthly repayment should always be equal to or less than the savings, so the household would not see any increase in their bills, even though they were paying back for the measures. The charge stays on the energy meter, so if the person moves, the charge stays with the house, and the next occupant picks up the payments. The reason this is relevant to the Building Regulations changes is that the Government sees this as a way for householders to meet a new requirement for 'consequential improvements' without having to pay extra for these on top of the works they were already planning. But no one would be forced to use the Green Deal to pay for their consequential improvements if they did not want to.*
>
> *Private firms would have to be official 'Green Deal' approved installers if they want to carry out improvements through the Green Deal, working with a Green Deal provider, which might be a big company, a local authority or a smaller firm. Improvements undertaken outside of the Green Deal (for example as consumers carry out works now, using their own money or private loans) would not require installers to be registered. In any case, the works would always need to meet the Building Regulations.*

2.3.2 Informed views of the Green Deal

The initial reaction in the Boilers and Windows South group to the Green Deal was positive. Participants thought that homeowners would benefit from the Green Deal because they will be able to get the consequential improvements done at the same time as the original works, and effectively pay for it over a number of years.

> *"I think (homeowners) would be quite happy with that." (South Boilers and Windows)*
>
> *"They get all the work done without having to pay upfront." (South Boilers and Windows)*

The Green Deal was also seen as a method of standardising Consequential Improvement costs to reduce 'cut throat' pricing and increased competition from larger businesses.

> *"Green Deal need to set charges to reduce cut throat pricing because people will do anything to save money." (South Extensions and Conversions)*

The majority thought that there could be an initial dip in sales just before the introduction of the Green Deal as people would be waiting for it to be available, but once launched it should have a positive impact on winning business:

> *"Installers (will benefit) as well because obviously it'll be more work. (But), if it's advertised, we'll see a massive drop (in sales) because people will wait for it (the Green Deal) to come out. Then it'll go off the charts." (South Boilers and Windows)*
>
> *"You'll get more work…everyone who gets an extension will have to get something else done…more work." (South Extensions and Conversions)*

There were however concerns that bigger companies would benefit more than smaller businesses because if the homeowner chooses to take up the Green Deal, the work would have to be completed by someone registered to do Green Deal work. Participants in the South extensions and conversions group thought that it would be easier for bigger companies to become Green Deal registered as they have the time and money to '*jump through the hoops*.' (South Extensions and Conversions). This could then reduce the market share for smaller businesses.

Furthermore, there was a concern that larger businesses such as the major DIY retailers, may expand their capabilities to incorporate Consequential Improvement work. For example, these businesses already supply and fit kitchens. If they become a Green Deal provider, they may start offering extensions, conversions, window or boiler installations (or sub-contract the work to companies they already have key relationships/contracts with), thus squeezing the smaller businesses further.

> *"Will they start doing new extensions? We'll lose market share." (South Extensions and Conversions)*

It was recommended that the Government takes great care in making it straightforward for smaller businesses to become Green Deal registered. An affordable course was suggested as a way to become Green Deal registered combined with checks on previous work (similar to the registration process of a body like Checkatrade).

2.3.3 Who benefits from the Green Deal?

There were concerns about who would benefit more, the homeowner or Green Deal provider.

> *"(Homeowners) are bound to be sceptical – 'what's in it for you?' I'm getting free cavity wall insulation, there's bound to be a sceptical view of it." (South Boilers and Windows)*

And concern was raised in the Southern Extensions and Conversions group about how long the loan would take to be paid off. The fact that the Green Deal would stay with the house (not homeowners) was considered by some as a negative for the buyer *"so you're buying a debt" (South Extensions and Conversions).*

Across all groups, participants frequently mentioned that household budgets are often tight when undertaking work that could trigger Consequential Improvements. For example extensions/conversions are often required when homeowners need more space but cannot afford to move to a larger property and boiler replacements are usually 'distress purchases' that are triggered by a broken down boiler etc. Given the tight budgets that households are under, there was a general concern that Consequential Improvement requirements would force home owners to take up the Green Deal due to a lack of self-financing options. This could result in homeowners postponing work or larger businesses (for example Green Deal providers and those associated with Green Deal providers) undertaking the Consequential Improvement work.

> *"What money is in their pocket they're spending it [on a new boiler], they haven't got anything extra" (North Boilers and Windows)*

> *"You'll be forcing people to take up the Green Deal because they've not got the (extra) money…the big companies will be the beneficiaries." (North Boilers and Windows)*

2.4 Consequential Improvements process

The general views on Consequential Improvements and the Green Deal have been covered in the previous chapters. The report will now concentrate on the participants' views on each of the stages of the process including:

- Triggering the Consequential Improvements
- Information required on Consequential Improvements
- Assessment Methods
- Installation of Consequential Improvements
- Compliance of Consequential Improvements

2.5 Triggers for Consequential Improvements

The first stage in the process of consequential improvements is carrying out or commissioning the trigger works, at which point someone needs to inform the homeowner of the consequential improvement requirements. For the boilers and windows sector, DCLG's proposals suggest that they (the gas safe engineers and competent persons) informs the homeowners of the requirements. For the extensions and conversions sector, it is proposed the Building Control will inform the homeowners of the requirements.

As the proposed process is different for the boilers/windows and extensions/conversions sectors, their views have been reported separately.

2.5.1 Boilers and windows

Participants in the boilers and window groups (in the North and South) were informed that the current proposal for changes to Part L is as follows:

> *Replacing a new boiler or purchasing new windows (above the threshold) will trigger the need for consequential improvements. The gas safe engineer (boiler) or competent person (windows) will inform the homeowner of the need for consequential improvements, but they would not be under an obligation to carry out the works themselves. Also, the homeowner would not be required to carry out the works at the same time as the original works – they would have time to make arrangements for the consequential works.*

ROLE OF GAS SAFE ENGINEER AND COMPETENT PERSONS IN TRIGGERING CONSEQUENTIAL IMPROVEMENTS

There was a lot of negativity from the gas safe engineers and competent persons towards the idea that it would be their responsibility to inform homeowners who are having a new boiler or new windows that they may need to do consequential improvements. The main concerns raised included:

- When it would be best to inform their clients?
- Increased costs for homeowners - deterring or delaying work
- An opportunity for larger companies to squeeze smaller companies out of the market
- Increased dishonesty in the market and opportunity for rogue traders

These problems are discussed in more detail below and followed by the 'solutions' which participants suggested could improve the process of them being responsible for triggering consequential improvements.

WHEN SHOULD HOMEOWNERS BE TOLD ABOUT THE CONSEQUENTIAL IMPROVEMENT REQUIREMENTS?

There was some confusion as to whether it would be better to inform homeowners of the consequential improvement requirements at the quotation or completion stage. Both were thought to have negative implications. They said if they inform their clients at the quotation stage they may risk their quote being rejected for being too expensive and someone else would win their work. They thought this would have a really negative impact on their ability to win businesses.

> *"You'll jeopardise the quotation if you tell them at the start…because you'll get someone else go in and say 'no it ain't (necessary to get Consequential Improvements) and they'll get the job!" (South Boilers and Windows)*

But equally there was a reluctance to inform clients of the requirements for consequential improvements until the completion stage as it was suggested that this would be unfair on the client and that it could threaten the trust between client and professional.

INCREASED COSTS FOR HOMEOWNERS COULD MAKE SALES MORE DIFFICULT AND THEREFORE DELAY OR DETER WORK

From a cost point of view, there was substantial negativity towards the proposal that gas safe engineers and competent persons will be responsible for informing homeowners about the consequential improvements. In the current economic climate where competition for work is already high, the gas safe engineers and competent persons in the groups expressed their apprehension that by having to tell uninformed clients that there will be additional costs for consequential improvements, it will become a 'hard sell' and would be unlikely to generate additional work.

> *"It's getting the job that worries me – you can lose a job because of £200. It's very cut throat" (North Boilers and Windows)*

> *"It would be easy for us to go in with the boiler and sell the boiler replacement but 'here you are mate you need your loft installing too'. Yes one goes hand in hand with the other, but trying to flog them insulation and windows being draught proofed at the same time would be a bit much for the Gas Safe to push." (South Boilers and Windows)*

> *"They'll think you're trying to have their pants down if you start saying you've got to have this done as well." (North Boilers and Windows)*

> *"It's hard anyway getting people to spend their hard earned money…consequential improvements are not going to help the industry…the timing is bad…it won't generate more work for us (small businesses)." (North Boilers and Windows)*

> *"People won't be happy to have three or four extra improvements done when we're walking into their house to talk about windows. Can't see (Consequential Improvements) helping us at all because of the cost…it's like a parking fine." (South Boilers and Windows)*

Even though it was recognised that consumers stand to benefit from improved homes and financially from energy savings, there is concern that the new requirements could deter building occupiers from carrying out works because of the unexpected additional cost.

> *"If we do your windows you're going to have to do this consequential improvement after…it's going to put them off a bit." (South Boilers and Windows)*

On the whole there was concern from the groups that the additional improvements required would not be received well by homeowners because by getting their windows or boiler replaced they are already making energy efficiency improvements and spending money – often a distress not a nice-to-have purchase:

"(Homeowners) might be a bit offended…to get a request to do more work having just paid for new windows." (South Boilers and Windows)

LARGER COMPANIES COULD SQUEEZE SMALLER COMPANIES OUT OF THE MARKET

Participants in the Boiler and Window focus groups raised concern that the consequential improvement requirements will be good for big firms because they can simply add the additional requirements into their packages and it will only add a few pounds a month to homeowners' bills. As smaller businesses cannot offer finance in this way due to cash flow, they are concerned they will lose business and it will therefore squeeze the smaller companies out of the market unless they partner with Green Deal providers who do not undertake the work themselves.

The participants also gave the impression that homeowners are more likely to trust an engineer from a well known national company (e.g. one of the major energy suppliers) over an independent gas safe engineer. To the extent that a larger company would just add in consequential improvements to the 'package' and ask the homeowner to 'sign on the dotted line'. Given the level of paranoia about rogue traders – which potentially results in less trust between homeowners and independent tradesmen, the smaller businesses felt that they are more likely to get questioned on 'extras' than the bigger companies.

"Because they (bigger companies) can make it look more official and offer finance package so it looks like it's only costing a few pounds a month, (it adds more) weight to "you've got to do it now."' (North Boilers and Windows)

"Bigger companies charge more, but also can package it up nicely – can sell it that it's easier to get it all done as one package and can offer to pay monthly. People don't like the fuss, so they'll just take what they say and sign if off." (North Boilers and Windows)

OPPORTUNITIES FOR ROGUE TRADERS AND INCREASED IN DISHONESTY IN THE MARKET

There was considerable concern that by gas safe engineers and competent persons being responsible for informing the homeowner of consequential improvement requirements, there would be more dishonesty in the market and rogue traders could benefit.

Firstly rogue traders could not inform homeowners as a way of keeping costs down. The rogue traders then would win more work and homeowners would be unaware of the need to get consequential improvements done.

"If you leave it up to companies to give leaflets, a lot won't give it." (South Boilers and Windows)

Additionally, participants warned that rogue traders could tell homeowners about the requirements and then offer them a way out by offering to do the original works for cash and then not register the work.

"People will get (the work) done underhand" (North Boilers and Windows)

Alternatively, the focus group in the north highlighted that some traders may still register the work, but could sign off the certificate with an old date so that the new regulations would not apply.

"Sign off on the certificate that the windows were done two years ago – then the consequential improvements won't apply" (North Boilers and Windows)

It was also highlighted that the proposed regulations will be open to interpretation and therefore may increase dishonesty. Rogue traders may inflate the requirements, persuading homeowners to do more consequential improvements which could damage the small traders' reputation.

"I see a huge uptake by rogue traders saying…'new regulations have come in, you've got to have a new boiler in and you've got to have loft insulation and you've got to have this and you've got to have that… and I'll do everything else cash in hand.' …whether the client needs it (the consequential improvements) or not…It's open to mis-interpretation." (North Boilers and Windows)

Solutions to help small boiler and window businesses more positively promote the consequential improvement requirements to homeowners:

Government advertising campaign

The majority thought that an advertising campaign from Government would be essential, to help educate homeowners on the new requirements, explaining why the requirements have been developed and also how energy efficiency improvements work together. This campaign would need to happen before gas safe engineers and competent persons were legally obliged to inform homeowners of the requirements.

"The message needs to be produced centrally and branded by Government." (North Boilers and Windows)

It was thought that such a campaign would make it easier for small traders to 'sell' the requirements because homeowners would be aware of the requirements already which participants thought would be fairer.

Industry standard set of words

To help gas safe engineers and competent persons relay the consequential improvement requirements it was suggested that an industry standard be established:

"I think there needs to be an industry standard set up within the Boilers and Windows sector which is a standard set of words that'll go on the certification that says 'I'm informing you that you need to get these measures done.'" (North Boilers and Windows)

Green Deal logo and smaller business partner scheme

One respondent thought that there was potential for a Green Deal logo to be used by smaller businesses to increase homeowners trust in smaller business. And others discussed the need for trades to partner up and recommend each other to enable them to offer solution packages just like big Green Deal providers might do, and reduce hassle for the homeowner in finding other trades to do consequential improvements.

Tax breaks

Another idea to incentivise smaller businesses to promote the idea to homeowners is to include tax breaks on consequential improvement sales.

"Reduce VAT on it…we need something from it to push it." (North Boilers and Windows)

2.5.2 Extensions and conversions

Participants in the extensions and conversions groups (in the North and South) were informed that the current proposal for changes to Part L is as follows:

> *An application to Building Control to undertake an extension or garage/loft conversion will trigger the need for consequential improvements. Building control will inform the applicant of the need for consequential improvements.*

In terms of opinions on their roles at the trigger stage, in contrast to the boiler and window groups, there was no strong negative opinion to the proposal. The following points were raised:

- The scope of requirements would need to be clear – would it include basement conversions?
- Homeowners will expect their builder or architect to inform them first (not Building Control) and small builders and architects will in reality discuss/include the requirements at the initial quotation stage
- More work for the domestic extension and conversion market if the homeowner employs the same contractor to do both the original and consequential works
- Increased costs for homeowners could deter work being done

These points are discussed in more detail below and followed by some solutions which participants suggested could improve the process of Building Control being responsible for triggering consequential improvements.

MAKE THE SCOPE CLEAR

One participant in the extensions and conversions group in the North was keen to point out that it will be important for the regulations to be clear if basement conversions were included. He suggested that 'residential conversions' would be better terminology to use to be all inclusive of extensions, garage, loft and basement conversions.

VIEWS ON THE ROLE OF BUILDING CONTROL, BUILDERS AND ARCHITECTS; INCLUDING THE HOMEOWNERS PERSPECTIVE

One respondent in the extensions and conversion group held in the North thought that from the homeowners perspective it would be a bad idea for Building Control to inform the homeowner or builder/architect of the need for consequential improvements, as it would be too late. He suggested that the builders and architects should have more of a role to play in informing their clients about consequential improvements:

> *"Because (A) they (the homeowner) might not have the finance and (B) it's some guy from the council coming round and telling me what I've now got to do to my house. Why hasn't the builder told me? Why haven't the planners or the architect told me." (North Extensions and Conversions)*

Since Building Control would check compliance with consequential improvement requirements in the same way that they check compliance with Building Regulations for domestic extensions and conversions most participants did not think their role would change much at all.

However, it was noted that in reality small builders and architects will more than likely discuss consequential improvements before requirements have officially been triggered, because it is their role to help develop homeowners budgets and expectations. This was considered both appropriate and desirable.

"Same role as before (as Architects) we manage our clients' expectations (including on finances)." (South Extensions and Conversions)

It was also highlighted that most homeowners who ask for quotes for extension and conversion works have already done considerable research – and would therefore probably ask builders/architects about consequential improvements in the initial stages of quotation.

"Everyone will know about it (the requirement for consequential improvements) so there won't be a change to our role." (South Extensions and Conversions)

MORE WORK FOR EXTENSIONS AND CONVERSION BUSINESSES

Compared to the boiler and window focus groups, there was more positivity in terms of the benefits for their businesses. The potential for increased business was recognised on the assumption that the homeowner employs them to do both the original work and consequential improvements:

"It could increase business. Consequential improvements would be an extra cost (for separate work)." (South Extensions and Conversions)

"More work, if they want to pay for it, it's going to be more work for us." (North Extensions and Conversions)

Participants also discussed the fact that small businesses will only benefit from the potential of additional work if they are capable of carrying out the consequential improvements themselves (and not having to subcontract).

INCREASED COSTS MAY INCREASE THE POTENTIAL TO LOSE WORK

Nevertheless, there was some concern that homeowners will be reluctant to pay for additional improvements and that this could make it harder for small businesses to win work:

"They're not going to want to pay for it, they don't want to pay for things as it is." (North Extensions/Conversions)

SIMPLE SAVINGS CALCULATORS

To enable small builders and architects to help engage homeowners in the consequential requirements at the start of their projects, it was suggested that simple 'savings calculators' should be provided to help builders help homeowners.

COURSES TO HELP SMALL BUSINESSES

To help smaller businesses remain competitive, it was suggested that small builders and architects may need help in upgrading skill capacity so that they can complete extensions/conversions and consequential improvements. A course with accreditation was thought to be the best option, preferably subsidised by the Government.

2.6 Information about Consequential Improvements

Participants in all the focus groups were asked what they thought of existing regulatory guidance in terms of usability; and also asked more specifically what information was needed to help homeowners understand the requirements for consequential improvements. In terms of views on what information is required, the views of the boilers/windows and extensions/conversions groups are presented together.

Later on in this chapter the views on the proposed lists of consequential improvements are covered separately as the lists for of boilers/windows and extensions/conversions are different.

Participants in the boiler and window focus groups (in the North and South) were informed that:

> *After the gas safe engineer (boiler) or competent person (windows) has informed the home owner of the need for consequential improvements, the home owner will have to decide themselves on which assessment route to use and what consequential improvements should be undertaken. Guidance is being made available via the Planning Portal, Direct Gov and the new Green Deal Advice Service. This will be for general use, so it should be equally useable by homeowners, builders or others.*

Participants in the extensions/conversions groups were informed that:

> *After Building Control have informed the applicant of the need for consequential improvements, the applicant (home owner with perhaps the support of their builder or architect) will have to decide themselves on which assessment route to use and what consequential improvements should be undertaken (however - the builder or architect may tell the homeowner in the first instance, if they know about the requirement and build this into their initial advice / plans for the work)*
>
> *Guidance is being made available via the Planning portal, Direct Gov and the new Green Deal Advice Service. This will be for general use, so it should be equally useable by homeowners, builders or others.*

In response to this information, the groups raised the following points:

Existing guidance is convoluted

Participants said that they knew where to find guidance for Building Regulations but that they thought it was difficult to understand particularly for homeowners.

> *"It's not written for the lay persons. It's a minefield. It's complex" (South Extensions and Conversions)*
>
> *"(Guidance) needs to be in common terms without jargon to be made clear." (South Extensions and Conversions)*
>
> *"There's loads of guidance. Can't understand it!" (North Boilers and Windows)*
>
> *"It does change quite a lot. Half of it doesn't make sense…can be very confusing." (North Boilers and Windows)*

Information homeowners need

In all the groups it was thought that the main information the homeowner would need would be:

- How much money they would save by doing the consequential improvements.
- Most thought that information on the payback period would be vital as well as being able to present the homeowner with information up front about what savings they could make if they undertook the consequential improvements – both to aid the 'sale' and help the homeowner establish which improvement was best for them.

"*The payback period – either of their own money or via Green Deal. What is the saving for them?" (South Boilers & Windows)*

- Clarity on when the requirements would / would not apply.

  It was also raised that it needs to be very clear if the homeowner needs the consequential improvements or not. Particularly in the boiler and window sector, it was highlighted that the requirements could be open to interpretation (and therefore abuse by rogue traders). To try and clarify whether consequential improvements are needed or not, it was suggested that an official advisory notice should be collated which should be given to clients upon complete installation of new windows or a boiler.

- The time period allowed between the original works and consequential improvements.

  Additionally it was mentioned that it would be important to make it clear how long homeowners would have in which to get improvements done.

The internet, Planning Portal and mail shots

The groups thought that having information on Consequential Improvements on the internet was the best way to reach homeowners and the extension/conversions group in the North were particularly positive about the Planning Portal:

"Planning Portal is useful…it's very user friendly." (North Extensions and Conversions)

The extensions/conversions participants also conveyed the fact that they - not the homeowners - are the experts, and that most of their clients employ them as the experts, and expect them to know the regulations. This suggests that in their opinion it was more important to ensure that the information was clear to the builders and architects than to homeowners.

Another suggestion was to produce a simple mail shot that should be sent to all professionals to make them aware of the new requirements. This information (potentially in the form of a leaflet) could then be 'cascaded down' to homeowners.

Access to hard copies and telephone advice line

It was also noted that there is always a need to offer the details of Building Regulations in hard copy to ensure that those who are not able to access the internet can access the regulations.

The need to be able to offer advice more personally (on the telephone for example) was also raised as an ideal, although the cost was recognised as a barrier.

Increased workload for Building Control

The workload for Building Control will be increased as they would expect an influx of calls from the public asking for clarification and confirmation. This was thought to be the case particularly in terms of consequential improvements required following boiler or window replacements where homeowners would only be informed by their gas safe engineer or competent person, (where as homeowners having extensions/conversions would be informed more officially by Building Control)

"I think the one sort of drawback from our point of view is the number of phone calls we're going to get. I can see it coming now, 'oh so and so has told me I've got to do these improvements, is that right? What have I got to do? What's the payback?' I'm having to

see the time aspect for us, because people are going to query it." (South Boilers and Windows)

Solutions (information)

MAKE GUIDANCE CLEAR

Ensure that all information is Government branded, easy to use and written in simple language.

GOVERNMENT BACKED PUBLICITY CAMPAIGN VIA TV, RADIO, NEWSPAPERS

The majority of participants in all groups thought that TV, Radio and Newspaper advertisements would help homeowners to understand the new requirements. The boiler/window participants thought that a Government backed publicity campaign would be *essential*, while the extensions/conversions groups thought it would be helpful.

"TV and Radio adverts (are needed) so homeowners know before we (gas safe engineers and competent persons) even walk in the door. It shouldn't be left to us.' (South Boilers and Windows)

"(Advertising of the new requirements) should be done on TV and Radio, like the digital switch over." (South Boilers and Windows)

"Mass marketing campaign would make everyone a lot more confident in talking to homeowners about the requirements and it would be fairer for both parties" (South Boilers and Windows)

"It's got to be frontline, television advertising" (North Extensions and Conversions)

"The Government, just like they did when they brought Part P in, they did a lot of publicity, the message got though….something such as this when you're upgrading the property, the thermal aspects, it needs a lot more education coming from the Government and it needs to be out there on telly, on the radio and the message will get through" (North Extensions and Conversions)

High exposure television, radio and newspaper publicity was seen by most as the best way of introducing the change to homeowners. But the majority thought this would subsequently need to be supported by the boiler/window fitters, builders and architects working with the homeowners to explain the details because most felt that their clients do not really understand the technical aspects involved in choosing energy efficiency measures:

"The trouble is that most people don't understand building regulations or how thermal materials work…they generally don't understand and you really have to explain it to them." (North Extensions and Conversions)

2.6.1 Boilers and windows - list of four Consequential Improvements

Boiler/Windows groups were additionally asked about the proposed list of four low-cost consequential improvement measures that could be used for boiler/window replacements: loft insulation, cavity wall insulation, hot water cylinder insulation and draughtproofing of single glazed windows.

LIST OF FOUR MEASURES IS CONSIDERED TOO NARROW AND INFLEXIBLE

Almost all agreed that homeowners should be offered a choice, and a list in theory would offer that choice. However, the reaction to the proposed list of four measures was quite negative. Some suggested that a list of only four options would not be flexible enough. The type of work and state of the house needs to be taken into account when choosing appropriate consequential improvements so that improvements which are of highest priority to the house can be chosen.

> *"Forcing people to get something done that's not necessarily the priority. For example if they get their boiler done, it's a distress purchase. Force a consequential improvement - (they choose) loft insulation. But the windows are crap and draughty. It doesn't make sense." (North Boilers and Windows)*

It was also noted that having a set list could potentially penalise people who have already done cheaper energy efficiency improvements.

> *"They'll just choose the cheapest measure…but most people will already have the cylinder jacket." (North Boilers and Windows)*

> *"The list needs to be longer because it's unfair if people have done new windows and then have to get expensive loft insulations just because they already have the other measures done already." (North Boilers and Windows)*

HOW MANY CONSEQUENTIAL IMPROVEMENT MEASURES SHOULD BE REQUIRED?

Some suggested that only one or two improvements from the list should be required, but most thought that such a rule would be too restrictive and that the requirements needed to be relative to the original works and also relative to the size of the house:

> *"Depends what they are having done…if only having 50% of windows done, need consequential improvements that's relative. If having all of a mansions windows done…(it's different)…need flexibility." (South Boilers & Windows)*

> *"Depends on the size of the house…five bed house…all measures need doing, a two bed house…one measure needs doing." (South Boilers & Windows)*

One respondent noted that in extensions and conversions, there was a 10% threshold and thought that similarly asking homeowners in the boiler and window market to spend an extra 10% on consequential improvements would be fairer than using a set list:

> *"At moment for extensions its 10%, so that would equate" (South Boilers & Windows)*

Solutions (list of measures: boilers/windows)

ALLOW HOMEOWNERS TO CHOOSE MORE EFFICIENT BOILERS OR WINDOWS

Most of the boiler/window participants thought that the consequential improvement options should be more flexible. It was suggested that it would make more sense to allow homeowners to further improve the efficiency standard of their windows or boiler – and that this should be offered as a consequential improvement in itself - rather than forcing homeowners to do something that is potentially less beneficial.

"Shouldn't there be an option to have better windows rather than consequential improvements?" (North Boilers & Windows)

"Should include an option to improve the quality of windows (and boilers) rather than have to do one of the consequential improvements on the list of four." (North Boilers and Windows)

"Add flue catcher in for boiler or a better boiler" (North Boilers & Windows)

2.6.2 Extensions and conversions – list of around 30 consequential improvement measures

Participants in the extensions and conversions groups were given the information below:

The Government is proposing to define the list of measures that could be used as 'consequential improvements' and this will be the same list of measures that is used for the Green Deal. It is a list of around 30 standard energy efficiency measures, from cheap measures like loft/cavity wall insulation, hot water cylinder insulation, heating controls and draught proofing, to more expensive ones like a new boiler, new windows and solid wall insulation.

BENEFITS TO DEFINED LIST OF MEASURES

On the whole the extensions and conversions groups thought that a list of thirty measures was a good idea because it would provide the flexibility needed to accommodate different homes.

COULD ENCOURAGE HOMEOWNERS TO CHOOSE CHEAPEST RATHER THAN MOST SUITABLE

However, it was mentioned that a list may encourage homeowners to pick the cheapest measure rather than give the consequential improvement measures careful thought.

"I think they'd be the things that people will go in for very very quickly… the cheap fix, the quick fix. (South Extensions and Conversions)

It was raised that a list could discourage homeowners and trades considering how energy efficiency measures link together and have knock-on effects for the whole building:

"Stops people thinking of how it all interfaces." (South Extensions and Conversions)

2.7 Assessment methods for consequential improvement

Participants were informed that homeowners will be able to choose between three proposed assessment methods including:

- Green Deal Assessment
- Energy Performance Certificate Assessment
- Self Assessment (own research or advice of a builder or architect or other trades)

Participants were asked for their opinions on each method in turn with the main aims being:

- To understand the costs and benefits of each for homeowners and small businesses, and
- To harvest recommendations for improving the assessment methods of consequential improvements.

As there is almost no difference in the process of the different assessment methods for the boiler/windows or extensions/conversions markets, the opinions of groups will not be separated as they have been in previous chapters.

2.7.1 Green Deal assessment method

All groups were given the following information on the Green Deal assessment method:

> *Homeowners could commission a Green Deal assessment to help them understand how they could meet the consequential improvement requirements.*
>
> *This means getting a Green Deal Assessor to come and carry out an assessment of the home and recommend what measures (for boilers and windows the choice would be from the list of four) might be suitable.*
>
> *Cost of the assessment will be a matter for the market but indications are the cost may be around £120, though some Green Deal providers may offer this for free.*
>
> *The homeowner would also need to get quotes from Green Deal providers to find out the exact cost of the suggested improvements – though in many cases this may be rolled in with the assessment.*
>
> *Packages of improvements offered by Green Deal providers must meet the 'Golden Rule' which means that the measures can be paid back from the energy bill savings within the lifetime of the Green Deal plan.*

There was a mixed reaction towards homeowners using the Green Deal assessment method to help understand what energy efficiency improvements would be required.

REDUCES BURDEN ON BOILER/WINDOW INSTALLERS AND BUILDERS/ARCHITECTS

The Green Deal assessment method was seen by many as a good method because it would take the pressure off builders, architects, boiler and window installers – they would not need to explain to the homeowners how consequential improvements work, and which measures would be the best options for them to install:

> *"I think that would be ideal…if there is somebody who is an assessor who can sit down with a member of the household and go through a number of things." (North Extensions and Conversions)*

It was also noted that the Green Deal assessment method would save tradesmen time because they would not need to arrange quotes with subcontractors for consequential works they were unable to complete themselves:

> *"Better if Green Deal Assessor decides what consequential improvements need to be done – it saves getting quotes." (South Extensions and Conversions)*

SAFER FOR HOMEOWNERS TO HAVE ENERGY EFFICIENCY NEEDS PROPERLY ASSESSED

As well as relieving boiler/window fitters and builders and architects of the responsibility of advising homeowners, the Green Deal assessment should result in more appropriate energy efficiency measures being installed. It was noted that by employing a proper assessor, safety will be considered when recommending suitable energy efficiency measures. The example of 'too much insulation' was given highlighting that too much insulation can prevent a house from 'breathing':

> *"The thing is the assessor's job is actually quite important…(if) we're looking at bunging 25 inches of insulation in the attic, then you're going to get condensation all along the wall plates, because it's going to be more than a 5 degree differential. It can't be just bunging it in, because it can do all sorts of things." (South Extensions and Conversions)*

QUOTES WILL VARY

If quotes for consequential improvements were rolled into the assessment, prices could be inflated. Quotes for the same work can vary widely depending on overhead, so there is potential for Green Deal providers to not offer homeowners value for money.

Equally the extensions and conversions group in the South thought that problems could arise if Green Deal assessors underestimate work costs, and therefore demand a number of consequential improvements which may not match up with the consequential improvements budget.

> *"You can't say that's what someone's going to charge. They can say that's what somebody might charge and they might charge more, because it might be a more difficult job than it looks." (South Extensions and Conversions)*

Then again, if quotes for consequential works were not included in the Green Deal assessment, the homeowner would have the inconvenience of having to request quotes based on the Green Deal assessment recommendations – which would add more administration.

INCREASED COSTS FOR HOMEOWNERS

There was considerable negativity raised on behalf of the homeowner regarding the potential £120 cost for the assessment. There was also scepticism towards the fact that the Green Deal Assessors may try to sell certain improvements and therefore further increase costs for homeowners, particularly if the assessor is linked to a Green Deal provider.

> *"My concern about the Green Deal Assessor is that he's going to be a salesman, you know, he's not just there to do an EPC, he's a salesman, especially if he's doing it for free, if he's linked to a company." (North Extensions and Conversions)*

It was also questioned whether the fee would be added into the Green Deal because the premise of the Green Deal is that there would not be any upfront costs.

GREEN DEAL ASSESSMENT METHOD COULD BE OUT OF PROPORTION

It was noted that the potential £120 assessment fee means that the estimated £15 cost of having a cylinder jacket fitted is misleading because the actual cost would be £15 + £120. The Green Deal assessment fee would then be out of proportion to the consequential improvement. This would be more likely to be problematic for homeowners having their boiler/windows replaced compared too much bigger projects like extensions and conversions.

'Golden Rule' payback period too long

The majority thought that twenty years (as a maximum) to repay the Green Deal was too long and that homeowners would struggle to see the positive if financial benefits took so long to be realised. Although fifteen years is also a long time, this was suggested as a more sensible maximum because it would fit in better with other regulations:

> *"Fifteen years would make more sense…(it is) fifteen years in terms of the current renovation of thermal elements and economic payback…it would tie in nicely into the current sort of renovation scenario." (South Boilers and Windows)*

2.7.2 Energy Performance Certificate assessment method

All groups were given the following information about the Energy Performance Certificate method of assessing what consequential improvements would be required:

> *Homeowners could also determine their requirement for energy efficiency improvements by looking at the energy performance certificate for the property. Homeowners would use the energy performance certificate to check whether any of the 4 measures are recommended. An energy performance certificate has to be produced for a home when it is bought/sold or when it is first built. It provides an A-G rating of the home's energy efficiency, and includes recommendations of cost-effective energy-saving measures for the building and the expected savings. Buildings built, bought, or rented since October 2008 will have an energy performance certificate. Energy performance certificate are valid for 10 years. The energy performance certificate is simpler than a Green Deal assessment because it just uses average costs and data, so the costs shown for the suggested improvements is just a guideline – a builder would still need to provide a quote to work out the 'real' cost of any works*

IMPACT ON BUSINESSES

Many participants were positive towards the Energy Performance Certificate assessment method because it was considered that more improvements would be highlighted in the assessment, which could potentially result in more work for small businesses.

> *"If (the home is) not up to standard, then they will have to work on it, bring us in." (South Boilers and Windows)*

> *"More business. Knowing they've got to get more work done they'll use their original builder." (South Extensions and Conversions)*

COSTS TO HOMEOWNERS

Those who already have an Energy Performance Certificate will save money if they choose this method of assessment over a Green Deal Assessment. However, as not everyone will currently have an Energy Performance Certificate – it will bring costs for some homeowners of around £40-50.

The boiler/window group in the North were most positive towards the Energy Performance Certificate assessment method because for those who already have an Energy Performance Certificate it would validate consequential improvement suggestions without an additional cost for homeowners.

POTENTIAL SAFETY RISKS IF LET HOMEOWNERS CHOOSE WHICH MEASURES TO IMPLEMENT

There is a risk that homeowners could use their Energy Performance Certificate and choose inappropriate energy efficiency measures due to a potential lack of professional tailored advice.

> *"Risk to give homeowners the power to choose which consequential improvements to do because everything needs considering (technically). There are knock on effects, but people doing the work should check. Unless people DIY!" (South Boilers and Windows)*

It was raised that the Energy Performance Certificate may also encourage DIY and the safety aspects of this were highlighted through existing examples of insulation being laid too thick over wires:

> *"Going up and throwing it (insulation) down, they're not taking into any account the electrical wires that are already up there, they're just throwing it down and getting it in…not taking into account what the knock-on effects for the electric wires. Most wires then have to be upgraded to a thicker wire, just simply because they've got the insulation now over the top of that. They're not going in and cutting it out nicely, going in through the rafters and so forth." (South Boilers and Windows)*

RENTAL MARKET

Giving homeowners the possibility of using an Energy Performance Certificate rather than requiring an official assessment (such as a Green Deal assessment) could present problems in the rental market. It was thought that if landlords of rented properties were given the power to self-assess using an Energy Performance Certificate, they may ignore their Energy Performance Certificate or would be more likely to choose the cheapest rather than most appropriate measures because they would not benefit financially from energy efficiency being improved – their tenants would. This was more of an issue with boiler or window consequential improvements were compliance if more difficult to control.

> *"You may also have that sector of the community who buy properties to let and they ain't interested, because they ain't going to be living in it and they ain't paying the bills." (North Boilers and Windows)*

RETROSPECTIVELY USE IMPROVEMENTS DONE FOLLOWING ENERGY PERFORMANCE CERTIFICATE GUIDELINES

If homeowners have already insulated their loft based on Energy Performance Certificate guidelines, and then decide to replace their windows it would not seem fair to ask them to make further consequential improvements. So it was suggested that a way be devised to allow homeowners to use previous improvements retrospectively. This would avoid the Government penalising people who have already made a commitment to improve the energy efficiency of their homes.

2.7.3 Non-formal assessment method

The boilers and windows groups were given the following information about the non-formal assessment method:

> *Homeowners could also use the advice provided by the gas safe engineer (boilers) or competent person (windows) and use one of the guidance sources to decide which of the 4 measures would be feasible without a formal assessment such as the Energy Performance Certificate or Green Deal Assessment. Or (if the installer was willing and able) they could ask them for advice too.*

The extensions and conversions groups were given the following information about the non-formal assessment method:

> *Homeowners could also ask their builder/architect involved to advise on what measures would be feasible without a formal assessment such as the Energy Performance Certificate or Green Deal Assessment.*

POTENTIALLY ADVISING HOMEOWNERS ON SUBJECTS OUTSIDE OF THEIR EXPERTISE

Participants in the boilers/window groups were very negative about the non-formal assessment method. They thought it would use their time but not benefit them because they would get asked to advise homeowners, but probably not actually win the work (because it would often be outside their area of expertise).

> *"I'd rather just stick to what I know, which is the windows basically, and not advise them on something that I didn't have any information on, even if I went on a course … I'd still stick to what I know." (South Boilers and Windows)*

> *"It's cut throat out there as it is without having to learn and sell someone else's product!" (South Boilers and Windows)*

> *"Prefer hands off approach…Unless going to undertake work, no point in being equipped to give advice." (North Boilers and Windows)*

Boiler and window fitters were very pessimistic regarding the responsibility being on them to ensure that homeowners did save money:

> *"You don't want somebody phoning up and saying you told me to get this done, I'm not saving any money." (North Boilers and Windows*

To help boiler and window fitters to help homeowners if they choose a non-formal assessment, it was suggested that Government leaflets could be provided for them to filter down to homeowners.

> *"I think the Government should give pamphlets to give people to say, you know, if you have a boiler then you could do with doing this, that and the other. We can give it to them. So it's not you telling them, it's then the Government, it's all legal then." (North Boilers and Windows)*

LOSS OF BUSINESS FOR SMALLER BOILER AND WINDOW FIRMS

Participants in the boiler/window groups thought that the non-formal assessment could be damaging for smaller businesses – because the homeowner may prefer to go to a larger company who can offer the original work, advise and complete the consequential improvements:

> *"I can see it being good for big firms…Three or four jobs, I suppose. Like British Gas and stuff like that." (North Boilers and Windows)*

OPPORTUNITY FOR MORE WORK FOR EXTENSION AND CONVERSION BUSINESSES

Extensions and Conversions participants were more positive about offering advice to homeowners who choose a non-formal assessment method. It was thought that the householder may be less likely to get other quotes, so the builder should win more work.

However it was noted that in reality, builders and architects would need to include consequential improvements in their initial assessment and quotations prior to the application being sent to Building Control. So this would increase administration for builders and architects and the cost of their time may not be recovered if they do not win the work.

TRAINING AND REGISTRATION

While boiler and window fitters did not see the benefit of training, those in extensions and conversions were more positive about training to expand their offering:

> *"Happy to go on a training course if it gets more work (if the course doesn't cost too much)" (South Extensions and Conversions)*
>
> *"Adds another level to competitors – why wouldn't you (go on the course so you could advise your clients)." (South Extensions and Conversions)*

Nevertheless, participant were apprehensive that the costs of training would add costs to the business overhead.

Some form of registration was thought to be necessary to ensure that advice would be well considered and appropriate:

> *"It comes back to this point of mine which is the whole building needs to be considered and that would either be EPC or the Green Deal advisor or someone of an academic nature can look at the whole building. That's my biggest concern." (Extensions and Conversions South)*

SAFETY CONCERNS

With the non-formal assessment method there is potential for both trades and homeowners to choose less appropriate energy efficiency measures. The extension and conversion groups were more concerned than the boiler and window fitters about it not being sensible for homeowners to be able to choose consequential improvements.

> *"It's open to mis-understanding" (North Boilers and Windows)*
>
> *"The whole building needs to be considered. It's a technical area." (South Extensions and Conversions)*

HOMEOWNERS SAVE MONEY?

The non-formal assessment method should enable homeowners to save money by not having to pay assessment fees. But it was noted that in the long run, by not seeking professional advice, homeowners could be exploited by rogue traders who may suggest energy efficiency improvements which do not need doing. One participant gave this example:

> *"I could look in your loft and say oh yeah, you need that (insulation) doing, when you don't - and then I'll sit in your loft and have a brew!" (North Boilers and Windows)*

2.8 Installation of Consequential Improvements

Following the assessment stage, homeowners would need to have the agreed consequential improvements installed. Participants were informed that

> *Following the outcome/recommendations of the assessment method, the home owner will arrange for the installation of the relevant consequential improvements.*

The views of all the groups (boilers/windows, extensions/conversions) are presented together as in the previous chapter.

ROLE OF BUSINESSES IN INSTALLATION – MORE OR LESS WORK?

The boilers/windows groups were predominantly negative about actually being able to be involved in the installation stage of consequential improvements because they would be unlikely to have the specialist knowledge or equipment. Participants thought that homeowners would find it annoying to have to find another company who could do the consequential improvements.

> *"As a homeowner if I want windows fitted I just want to get a window installer and just get a quote, get it done, finished…Don't want to deal with other trades…We'll lose the job (if we cannot do both the original and consequential improvement work)." (North Boilers and Windows)*

The extension/conversion groups were quite positive about the potential for the installation stage of consequential improvements to result in more work for them, as long as homeowners employed them to do original and consequential works.

It was thought that there was more potential for bigger businesses in both sectors to squeeze out smaller trades because homeowners will find it easier to have one company do all the work than for one company to do original work and a second to do consequential work.

> *"There are opportunities out there…but all has to be tied up with who's going to do it." (North Boilers and Windows)*

For companies who are already equipped to do insulation it was thought that the installation stage could present them with more work opportunities.

> *"I think it would be all right for the guys with insulation, because they get to do the cavity wall, plus the loft and they could sell their other products." (South Boiler and Windows)*

RECOMMENDING/NETWORKING

Boiler and window fitters thought it was less likely that consequential measures would fall within their instalment capabilities and therefore not provide an opportunity for them to win more work. Some considered that it would be a hassle and waste of their time to be asked by homeowners to recommend other trades to homeowners.

Other boilers/window fitters were more positive about helping homeowners find suitable tradesmen and suggest that a Government accredited scheme could facilitate networking.

> *"Yes, you could recommend. Say look, I can recommend these companies, they recommend us and so on. Like a Government accredited company or something like that." (South Boilers and Windows)*

CHANGING BUSINESSES TO ACCOMMODATE CONSEQUENTIAL IMPROVEMENTS

The extension/conversion businesses were more confident that they already manage energy efficiency measures in their work and would therefore be happy to take on installing other energy efficiency measures that may fall under consequential improvement requirements, even if this required additional training. Extension and conversion companies are also already used to subcontracting and this possibly increased their positivity that they could 'add more strings to their bow' and offer other consequential improvements.

However, on the whole boiler and windows fitters thought that many consequential improvements would be too specialist. Cavity wall insulation in particular was highlighted as a measure that required expensive specialist equipment.

> *"There will be some businesses (who) see it as a potential to branch out to do loft insulation…What you won't be able to do necessarily without specialist equipment is inject cavity insulation or to do measures that take specialist equipment." (North Boilers and Windows)*

2.9 Compliance with Consequential Improvements

Compliance was the area which all participants were most concerned about. Given the different compliance processes for the boilers/windows and extensions/conversions, the findings for each have been reported separately.

2.9.1 Boilers and windows

Participants in the boiler and window focus groups were informed of the proposals for compliance as follows:

> *The gas safe engineer (boilers) or competent person (windows) would need to notify building control when the principal works are complete (for example the boiler/window installation) but it would be the responsibility of the householder to tell the local authority that the consequential improvements had also been carried out. Building Control would have the powers to check compliance with the requirements, but at present there are no plans to oblige them to follow up to check that the consequential works had been done in every case.*

BUILDING CONTROL

There was a lot of negativity to the proposal that Building Control would have the power to check that Consequential Improvements had been done, but would not be obliged to do so, and concerns that they will not have the man-power to do so.

> *"Will never get followed up…when it comes to building control we won't follow it up" (North Boilers and Windows)*

It was also suggested that because there was no real penalty for non-compliance, it could increase the risk that Building Control may not always be notified of original works, or may be told that consequential works have been done when they have not.

> *"It will never get followed up, so these guys can tell their customers everything … about consequential improvements and they can notify them to their heart's content, but when it comes to building control, even though they've notified them, we won't follow it up." (North Boilers and Windows)*

Where Building Control is not involved from the start of projects (such as boiler and window replacements) there is a reliance on honesty from trades and homeowners.

"I've looked at these changes from both sides of the inspections... The conversions... and the extensions, they're workable because we've (Building Control) have got an input and we're involved in it. We haven't got an input here (in boilers and windows), we're leaving it up to these guys in the industry to advise properly and for the homeowner to take them up on that." (North Boilers and Windows)

"No input here – leaving it up to these guys in the industry to advise properly, and then for homeowners to take them up on that." (North Boilers and Windows)

PROSECUTION

While prosecution for non-compliance would legally be an option, in reality this was not considered as a real threat because it would be disproportionate to the offence.

"Homeowners could get prosecuted up to £5000 but it is disproportionate to the offence…so this wouldn't happen…Local Authorities would not take anyone to court over this." (North Boilers and Windows).

One participant noted that in theory homeowners could get prosecuted up to £5000 for not spending £15 on a cylinder jacket - but the costs of prosecution (such as collecting evidence) would make this nonsensical.

COSTS OF COMPLIANCE

The costs of compliance were raised as a major area of concern.

"It'll cost a fortune to enforce." (North boilers and windows)

"Who pays for it" (North boilers and windows)

"Can't work for nothing. Will have to have a charge….could go with certificate, CERTAS or FENSA or even Gas Safe ….but then they have to do the compliance (and that's a cost to them)."(South Boilers and Windows)

Solutions (compliance) – boilers/windows

ASSESSED ROUTE MAKES COMPLIANCE EASIER TO TRACK

An advantage of an assessment method like the Green Deal Assessment is that it would make compliance more likely.

"The only way you'd do it is perhaps to restrict and say right it has to go down something like an assessed route, whether it be Green Deal or something else. Where somebody comes in and assesses that those consequential improvements have been done." (South Boilers and Windows)

"Outside of the Green Deal it will be more difficult to police…has to be done via the assessed route?" (South Boilers and Windows)

WITHHOLD CERTIFICATION

Some thought that withholding certification (that would be essential if you were to sell your house) for works until consequential improvements were done would be necessary to ensure compliance. While this would not affect people who did not want to sell, it was thought that it would go some way to improving compliance.

"You've got to have something (so) the homeowner knows that he's got to get it done and if he doesn't get it done, then there's a potential, not necessarily a fine, but there's an issue with not getting it done -doesn't get a certificate of some description and it's going to flag up when he perhaps tries to sell his house. There's something. There's a consequence." (South Boilers and Windows)

"There is no man power to enforce the consequential improvements…it will be enforced when people come to sell their home – like what the HIP was supposed to do." (South Boilers and Windows).

"The motivation to do the consequential improvements will be when you put your house on the market." (South Boilers and Windows)

As an alternative it was suggested that installers could give certificates for the boiler or window replacement, with a caveat that they were only valid if the consequential improvements were done within the agreed timeframe.

EXTEND TIME PERIOD TO IMPROVE COMPLIANCE

Some participants thought that if the time period in which to get the consequential improvements done was extended this could aid compliance. Two, three and five years were all suggested.

"The longer the better for skint person." (South boilers and windows)

"Planning permissions for extensions last 3 years – so that would seem fair" (South boilers and windows)

REQUIRE THE GAS SAFE AND COMPETENT PERSONS SCHEME TO AUDIT CONSEQUENTIAL IMPROVEMENTS PROPERLY

While this was suggested as a solution to improve compliance it was recognised that this would cost money which would in turn be charges to the workers thus increasing their overheads.

MAKE CONSEQUENTIAL IMPROVEMENTS ADVISORY / A RECOMMENDATION

It was highlighted that people 'dislike being told what to do', and it was therefore thought that homeowners would react better to advice or recommendations. Explaining if you do X Y Z it will benefit you financially, was considered to be a better approach for the boiler and window market.

"Nobody likes being told how to spend their money, especially if they haven't got it. So if it was made like… if you had that done and that done, you'd save x amount of pounds, it's up to you to go and get it done. Oh right, I'll go and get it done or I won't bother. But then the ball's in their court, isn't it?" (North Boilers and Windows)

2.9.2 Extensions and conversions

Participants in the extensions and conversions groups were informed of the proposals for compliance as follows:

Ultimately the homeowner would need to justify their decisions on works required / not required to building control (which would probably be during a building control officer's site visit during the works).

Most participants did not think that the proposal for the homeowner to justify their decisions on consequential improvements to the building control officer during the site visit would work. It was thought that the specialists (the builder or architect) should justify the decisions, and the homeowner would expect them to do this.

ONE FINAL COMPLETION CERTIFICATE - POTENTIALLY UNFAIR ON SMALLER BUSINESSES

Participants in the extensions and conversions groups were informed that:

> *It is expected that consequential improvements triggered by extensions, loft or garage conversions will be installed at the same time as the originally planned work, or soon after, and compliance will be assessed as currently by the relevant building control body before a final completion certificate for the project is issued. It is being assumed that if a homeowner could show proof that they couldn't get a Green Deal offer, or that their Energy Performance Certificate showed there were no cost-effective improvements to be made, that Building Control would accept this as evidence that no consequential improvements should be required.*

If the original works were only signed off after the consequential improvements had been completed, this was perceived as OK if one company were doing both works, but it could potentially be unfair on small builders if they have had to subcontract the consequential improvements. As final payments are usually triggered by issue of the final certificate, it may result in delayed payment and cause cash-flow problems. For example, if the subcontractor does not do the work satisfactorily it may result in the homeowner refusing to pay either business.

> *"What bothers me is the fact that it's (the consequential improvements) going to be tied in with your final certificate, it's going to affect your final payment." (North Extensions/Conversions)*

MORE WORK FOR BUILDING CONTROL

Building Control raised concerns about having to sign off work twice – once after the original works and again after the consequential improvements had been completed. It would be better to sign off both at the same time. If they are signed off separately homeowners will be charged twice for two separate assessments of the works.

IF PROSECUTED COULD BE FINED UP TO £5000

While it would be possible to be prosecuted up to a maximum of £5000, it was thought this should not be used as a threat as it may put people off registering work. It was noted that the Government will want to seem helpful – helping homeowners to improve their homes – and not to appear threatening.

Solution (compliance) – extensions/conversions

An over-arching solution to compliance issues was suggested by extensions/conversions participants:

Participants thought that compliance will hinge on people believing that they will make savings and therefore rely on trades and Government selling the premise of consequential improvements – that the improvements will result in savings for homeowners.

> *"You're determining what the actual customer sees in it, I mean it's all right to say how would you make it work in practice, but it's how do you make someone believe that this is of use to them or much use that they're going to save on it…you've got to convince people." (North Boilers and Windows)*
>
> *"You've got to make people know or believe." (North Boilers and Windows)*
>
> *"You say it's pointless having this done unless you have that done, that done and that done." (North Boilers and Windows)*

3 Recommendations

3.1 Introduction

Numerous problems were highlighted with the various process stages for the proposed consequential improvement requirements. Solutions to these problems often over-lap so to avoid repetition in this Chapter, we have listed the improvements/solutions that have been suggested in the focus groups and detailed the problems that these could solve.

3.2 Making the Consequential Improvements processes workable

Clear and concise guidance

The majority of participants noted that existing Building Regulations are hard to understand because of the language which is used. To help both businesses and homeowners understand the consequential improvement requirements, guidance needs to be written clearly and concisely using 'everyday' language. By ensuring that the Guidance is clear, it should help businesses to properly inform homeowners of the requirements and therefore improve compliance.

Government backed publicity campaign

Ensuring that homeowners were both aware of and clear on the requirements, as well as understanding the environmental benefits and savings was seen as key to the whole process of consequential improvements. To enable this to happen successfully it was suggested that a Government backed publicity campaign through TV, Radio and Newspapers be developed on a similar scale to the 'Digital Switch Over' campaign.

> *"The Government must sell the idea to the public (you the homeowner will benefit)." (South Boilers and Windows)*

A campaign would need to be done prior to the requirements coming into force, to help prepare homeowners for the new requirements, so that it is not a new idea when tradesmen mention it to their clients.

This would particularly help the boiler and window fitters who in the current proposal would be responsible for informing the homeowners of the need to do consequential improvements (the boiler/window fitters would 'trigger' the requirements) following boiler or window replacements. Participants thought that by publicising the requirements centrally and nationally, it would increase the confidence (particularly of boiler/window fitters) to talk through requirements with their clients because the information should be less of a shock (than if the requirements are not publicised). If the homeowners are prepared to expect the requirements, it was thought that it would have less of a negative impact on businesses i.e. businesses would be less likely to lose work because of increased costs.

> *"Needs to be well advertised so that homeowners are aware. They trust professionals but professionals need support. The idea needs to be sold to the homeowners before, then it becomes normal." (South Boilers and Windows)*

It was also thought that a publicity campaign would reduce the opportunity for rogue traders either to dismiss or inflate the requirements as homeowners would already be aware of the consequential improvement regulations.

Essential information

It will be paramount for traders and homeowners to be able to calculate the potential savings and payback periods. It was suggested that a simple savings calculator be developed to help traders and homeowners estimate the benefits. Participants thought if homeowners could be convinced of the savings and benefits of having the consequential improvements done this would both help small businesses to win additional work as well as boost compliance.

Providing an estimate pricing system was advocated by some but not all participants. By providing an estimate of costs it would help homeowners and tradesmen to have a rough idea of how much the consequential improvements may cost them.

However, it was also noted that quotes for the same work can vary widely and as such an estimate price list could be very misleading.

Information on how energy efficiency measures work together in a house will also need to be provided. It will be essential for businesses and homeowners to understand the safety aspects of their decisions; especially if the Energy Performance Certificate or non formal assessment methods are used to determine which energy efficiency measure will be implemented. Government leaflets were seen as the best way to filter information down through to businesses to homeowners. From a safety perspective, the Green Deal Assessment method was seen as the best option because it would involve the homeowner having a qualified assessor consider the home as a whole, and therefore the most appropriate consequential improvement(s) would be recommended.

Accessing information

Participants thought that most homeowners would look for information on Consequential Improvements on the internet, and there was a lot of positivity towards the Planning Portal being used to channel information on the requirements to homeowners and businesses because they are user friendly.

A mail shot or leaflet should be sent to all professionals to make them aware of the new requirements. This information (potentially in the form of a leaflet) could then be ‘cascaded down’ to homeowners

Mail shots and leaflets would help business to be prepared to give information on the requirements to homeowners and also help to authenticate the requirements – particularly for the boiler and window fitters.

Access to hard copies was seen as essential given that not everyone has access to the internet. A telephone Advice Line would be helpful (but participants recognised the cost barriers).

Green Deal logo for registered trades

There was a great deal of concern, especially among the boiler/window fitters that trust between trades and homeowners are already low. Participants were worried that homeowners would be sceptical of the tradesmen informing them of the need to do consequential improvements.

To help improve professionalism and increase faith in tradesmen, some participants thought it would be a good idea to introduce a Green Deal Logo which would be a Government stamp indicating to homeowners that the tradesmen is Green Deal approved and therefore reliable and

credible. It was thought that this would help smaller businesses to compete with the bigger companies who have a trusted brand and established reputation.

By having a registration system it would also enable networking and foster recommendation linkages so that where trades are unable to do consequential improvements they would be able to recommend a business that could. An accredited scheme was suggested to help companies recommend each other. Again it was hoped that this would help small business compete more successfully against the bigger companies who would be more likely to be able to do both the original and consequential works.

Expand proposed list of four potential consequential improvement measures following boiler/window replacement

The boiler/window groups were particularly keen to expand the proposed list of four consequential measures which would be offered following boiler/window replacements.

In particular it was suggested that homeowners should be allowed to upgrade to more efficient windows/boilers rather than be forced to install a less relevant consequential improvement measure.

The benefits of expanding the list to include upgrading the boiler/windows included the fact that it would be less like likely to deter work being done because upgrading the work already being done would be more simple than engaging in new quotes for other potentially unrelated works. It could therefore result in more work for small businesses.

Allow energy efficiency improvements to be used retrospectively

Following the introduction of the Energy Performance Certificate, it was thought that some homeowners may have already implemented some energy efficiency measures which may come under the Consequential Improvements. To avoid penalising homeowners who have already improved the energy efficiency of their homes it was suggested that the Government allow energy efficiency measures to be used retrospectively.

Courses

The extension and conversion groups were more positive towards attending courses to enable them to offer homeowners help with consequential improvements. But these courses would need to be affordable.

Certification

There were various suggestions regarding certification. Certification could be withheld until consequential improvements were complete. Or certification could be classed as invalid without Consequential Improvements being completed on time.

It was thought that these measures would encourage homeowners to comply with the consequential improvement requirements because they will want valid certificates for all the work done to the property in order to sell their home. However, this motivation is limited if the homeowner does not intend to sell their house.