



DCHI recommendations regarding implementation of Each Home Counts initiative

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1) Introduction

DCHI welcomes the opportunity that Each Home Counts (EHC) presents as indeed DCHI was pleased to welcome the Green Deal when that was introduced. Green Deal however proved itself to be a good idea implemented in a way that did not work. DCHI is keen to see EHC work and to ensure the mistakes made in implementing Green Deal are not repeated.

EHC appears to be focussed on delivering a service to householders that will "save money, improve our health and make our homes warmer and more comfortable to live in". To achieve that there are several fundamental things it must do including:

- a) Not add unnecessary cost
- b) Encourage measures that would not have been carried out to be carried out
- c) Not get in the way of measures that would have been carried out without it

In the view of DCHI:

2) EPCs should be required before and after any publicly funded installation

EPCs before public funding are important to ensure that:

- a) the measures are relevant to the property
- b) there is an evaluation of their potential benefit to suitably manage expectations
- c) the homeowner is aware of other measures that may produce a better return on investment
- d) the home owner is made aware of other measures which could be done in combination to achieve an even greater return

An EPC should also be required after each publicly funded installation to ensure the EPC is up-to-date and reflects the improvement in the property which has been achieved through the use of public money.

3) EPCs should be encouraged for privately funded installations

EPCs should be promoted as beneficial for the above reasons for use by people self-funding or accessing private funding. It is not however appropriate to require them. If a homeowner knows what they want to do and is willing to pay for it, requiring them to get an EPC before they can is an infringement of their rights to make choices. It will get in the way of making things happen and be detrimental to EHC achieving the desired outcomes.

The production of EPCs following improvement measures should also be promoted as beneficial for the above reasons for use by people self-funding or accessing private funding but should not be compulsory in these situations.

It is essential to appreciate that the motivation of the homeowner may not be as simple as saving money. Measures will be taken that reduce energy consumption but

Additional note

It is strongly recommended that consideration be given to incorporating into the next amendment to the EPB regulations a requirement for EPCs for sale or rental to be replaced if there have been "significant" changes to the building since the previous EPC.

The principle of an EPC for an unaltered property being valid for up to 10 years is fine, but an EPC should become invalid for the purpose of sale or rental if the building no longer

matches the EPC. It will be necessary to define what constitutes a significant alteration, but it should clearly include:

- a) Any extension or demolition that alters the floor area
- b) A change of primary heating type
- c) Addition or removal of any renewable energy technology

Failure to update the EPC following these types of significant alterations arguably creates a property misdescription that needs to be corrected.

4) An update of the previous “EPC adviser” online tool should be provided.

This should:

- a) Allow users to tailor the outputs from the EPC calculation by entering details of their actual energy costs and some simple relevant lifestyle factors to more accurately reflect the building specific values.
- b) Allow users to select an individual measure or multiple measures they feel are relevant to see the specific impact.

This simple DIY tailoring tool should be readily accessible to the home owner so that they can do a range of simple ‘what if?’ comparisons based on their EPC without additional cost.

It is acknowledged that last time the EPC adviser tool was available it was hardly used, however that was essentially because hardly anybody knew it was there and nothing significant was done to encourage homeowners to use it.

5) Energy assessor upskilling

DEAs do not need to be up-skilled to offer advice to homeowners on how to take forward the recommendations from the EPC.

The existing energy assessor national occupational standards (NOS) requires assessors to know and understand the various measures and to be able to describe them to clients. (It is acknowledged that some additional focus on CPD in these areas would be beneficial but there are no grounds for imposing an additional training and associated cost on qualified energy assessors).

The majority of EPCs will continue to be produced for sale or rental purposes in accordance with the energy performance of buildings regulations. There is no benefit and significant risk in changing the DEA role.

6) Going beyond the EPC

The existing green deal advice report (GDAR) should be updated to be more relevant to the current market and legislative environment. This report should

- a) be based upon the EPC and tailored for the client in a more detailed manner than the above update of the EPC adviser tool
- b) be known henceforth as an Each Home Counts (EHC) report (or similar approved branding)
- c) be produced by an Each Home Counts assessor (EHCA) accredited with an existing EPC accreditation scheme and lodged through the same scheme structure as an EPC
- d) subject to the same audit regime as an EPC. There must be no additional layers introduced that add cost, or parallel systems that add confusion (and cost)

The biggest single cause of Green Deal failing to deliver, we believe to be the added layer of Green Deal Advisor Organisations with the confusion and cost they added.

The EHC report creation should be a further function of the EPC software provided by the existing accreditation schemes in the same way that some have already integrated a way to produce an Energy Performance Report in the software for non-EPB regulation purposes.

7) Each Home Counts Assessor (EHCA)

An EHCA will essentially be the new equivalent of a green deal adviser (GDA). There will be a small amount of additional training required for the qualified GDA to transition to an EHCA. This should be minimal and focused around the differences with the majority of the qualification being met by applied prior learning (APL) of the GDA qualification.

The existing accreditation schemes will need to update their processes slightly to manage the EPC (as required for the EPB regulations) and the tailored output from the EPC (the EHC report) through existing accreditation, lodgement and auditing processes. This will provide seamless integration via existing tried and tested systems, removing much of the cost and risk from the introduction.

8) Why is an EPC beneficial?

It is important that EHC protects consumers by encouraging the adoption of measures that are appropriate for the building and will provide a reasonable return on the investment. The EPC also provides an indication of the progress made towards achieving carbon reduction targets.

9) Why do we need an EHC report?

An EPC based on a standardised methodology that assumes 'typical' occupancy in order to provide a like-for-like comparison between buildings. It does not reflect differences in energy consumption if the occupancy is not 'typical'. Whilst the EPC should only generate recommendations which are relevant to the building, the potential impact (return on investment for the occupier) can be misleading unless it is tailored for their occupancy.

A more robust tailoring of the EPC output would be appropriate where the measures are complex or the occupancy is non-standard. In addition, it would be sensible to require this tailored evaluation where the installation is to be publicly funded to ensure public money is invested appropriately.

Similarly, it is anticipated that providers of private sector funding will also seek a greater level of confidence in the validity of measures for which they provide finance. This will be provided by the EHC report produced by an accredited EHCA. Because of the training and structure behind this it can be a more detailed tailoring involving a structured occupancy assessment and accurate energy costings where current tariff and billing information is available.

10) How does this work for homeowners?

It is recognised that many homeowners may be capable of making appropriate choices on their own. Others will be able to work from the recommendations on an EPC and initiate relevant works using suitable contractors or even carrying out the works themselves. Where the homeowner has a desire to improve the home in an energy efficient manner there is no need for them to demonstrate that what they are doing is cost-effective or has a realistic payback. People will spend money improving their house for a variety of reasons without an expectation of payback and for those people we must not introduce an additional cost burden.

For those people who need support with deciding how to improve the property the above proposal will provide it in an easily accessible, cost-effective and reliable manner. If they are self-financing they have the option of working directly from the EPC or from tailored outputs from the EPC. They can choose to go as far through the process as they feel comfortable with.

The only homeowners who will be required to have the EPC tailored by an EHCA will be those who are seeking to have their measures (fully or partially) publicly funded. Even for these people the EHC report is simply a small add-on to the process of obtaining an EPC with minimal additional effort or cost associated to it.

What is the role of the EHC assessor (EHCA)?

The EHCA will use a structured tailoring of the EPC output to provide a more accurate assessment of the impact of measures and a more detailed set of recommendations. They will be able to provide professional, independent advice, particularly with complex buildings and changing technologies.

Other sources of advice are not sufficient for everyone e.g.;

- Generic internet advice will not relate to the actual property and many homeowners are unaware of construction details that dictate the suitability of measures
- Advice from installers or product manufacturers are likely to be biased towards their own range of products and services which may not be the best solution for the particular property.

11) Avoiding repeating past mistakes

The solution is to ensure that, for homeowners that need it, there is a route to an independent, competent energy advisor who has assessed the most appropriate option(s) for the property. This should be centrally funded when the occupant is fuel poor or vulnerable and offer value for money when the occupant is able to pay. However, it is essential not to impose any part of the process on homeowners who do not need it or it will become a barrier to improvements that would have happened anyway without EHC.

The most important lesson to learn from previous approaches is that EHC must be simple, must not add unnecessary cost and must not get in the way of improvements that would have happened without it. If it becomes a hurdle for a homeowner who wants to improve, knows how they want to improve and has the money to do it, then it will have a negative impact. EHC must get additional energy efficiency measures carried out. Any substitution of privately funded measures with publicly funded ones is a cost with no benefit to the public purse.

Increased take-up of publicly funded measures at the expense of reduced take-up of self-funded measures is what will happen if a process is imposed on those who would have proceeded anyway. If it is overly complicated and/or adds unnecessary cost, it just reduces the return per tax payer pound from public support for measures.

12) Skill requirements

Until now Domestic Energy Assessors (DEAs) have been discouraged from providing advice to consumers but the existing NOS means they are qualified to do so to the extent of discussing and explaining the recommendations on an EPC. DEAs should be encouraged to do this and to refer homeowners on to next steps in the process.

Most of the competencies required to be an EHC assessor are already contained within the national occupation standards relating to Green Deal advisors and only minimal alteration to this with a limited conversion and up Skilling of GDAs is required to implement an effective EHC programme.

13) Next steps

The existing accreditation schemes need to be provided with clarity of what is required so they can put in place extension of their process to manage and audit the EHC report in addition to the EPC.

14) Trustmark

The EHC report should fall within the Trustmark scheme.

Accreditation schemes will need to demonstrate compliance with the Trustmark scheme through the same auditing process by which they are required to demonstrate they are fit to act as an accreditation scheme for EPB. As long as they do so they shall accredit EHC assessors in the same manner as they accredit DEAs. Those DEAs, provided they meet the criteria to maintain that accreditation shall be Trustmark approved

It would be extremely useful to have a unique assessor identity on the register that links all their accreditations for EPCs and EHC reports together. Loss of accredited status with a scheme would then lose the Trustmark approval.

We are relaxed about whether or not there is a benefit in including the EPC within the Trustmark scheme. If it is included then approval of the DEA must be on the same basis i.e. if they maintain a current accreditation they are Trustmark approved. If that accreditation is lost then they cease to be Trustmark approved.

Trustmark must be able to utilise the existing EPB scheme management and auditing processes as its own. Under no circumstance should there be a separate process set up to run alongside the existing scheme process or the additional cost and/or the opportunity for things to fall through the gap between them (Accidentally or by design) will undermine its credibility and effectiveness.

15) To be avoided

Attempting to set up a new process rather than using the existing accreditation scheme processes is considered unnecessary duplication that will undermine the EHC initiative from the outset. It serves no purpose other than as a revenue stream for any organisation that is able to run it. Arguably it would simply create nothing more than a monopoly GDAO.

Any attempt to require DEAs to undertake additional training to continue to produce EPCs for EPB purposes is likely to be seen (rightly in our view) as profiteering by training providers.

Making the transition from GDA to EHC assessor any more than is necessary to address the scheme differences would also likely be seen as profiteering by training providers. Imposing an EHC on people who do not need to prove eligibility for public funding, those who can pay and will pay, does nothing but place a hurdle in the way of people who will do the right thing anyway.

16) Minimising risk

It is well established in the business community that the risk (and associated costs) in moving forward is minimised by using as much of what you already have as possible.

Highest risk is using new people to provide a new product to a new market.

Lowest risk is using the same people to provide the same product to a new market / using different people to provide the same product to the same market / using the same people to provide a similar product to the same market.

In this instance the lowest risk and lowest cost approach is to provide an extension of an existing EPC product (the EHC report) to the same market as EPCs (homeowners) using existing GDAs, working within the framework of existing accreditation schemes. We have seen nothing to suggest that any other approach offers any significant increased potential return in exchange for the higher risk of introducing more untried elements into the mix.

The gamble (of Green Deal sized proportion) would be to require significant training to provide a totally new product within a new oversight structure.

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