

Carillion response to the consultation on the removal of 'P' from cost and carbon saving calculations under ECO.

Carillion welcomes the opportunity to respond to the consultation on how to account for the percentage of measure installed when calculating ECO scores. In order to put our comments into context, it may be helpful to outline briefly our role in the provision of energy services across the UK and Ireland.

Carillion is one of the UK's leading support services companies with a substantial portfolio of Public Private Partnership projects and extensive construction capabilities. The Group has annual revenue of over £4.4 billion, employs around 40,000 people and operates across the UK, in the Middle East, Canada and the Caribbean.

Carillion is a registered Green Deal Provider is delivering the Green Deal and Energy Companies Obligation across Great Britain, working in partnership with local authorities, housing providers and utility suppliers. We are proud to be delivering the flagship [Birmingham Energy Savers \(BES\)](#) programme working with [Birmingham City Council](#) as its exclusive delivery partner to improve the energy and carbon efficiency of up to 60,000 households across the city, together with schools and other non-domestic council properties.

We are also pleased to be installing heating, insulation and renewables for at least 3,000 households in Manchester, Trafford and Bury under the Association of Greater Manchester Authorities' ['Get Me Toasty'](#) programme. The programme utilises funding from the Affordable Warmth and CSCO strands of ECO and will specifically target households at risk of fuel poverty.

For further information on our work, please visit our website:

<http://www.carillionplc.com/our-markets/energy.aspx>

Impact of the removal of 'P'

Carillion recognises the importance of ensuring that accurate levels of carbon and cost savings can be measured through ECO in order to ensure successful delivery of the programme. However, we have some concerns regarding the removal of 'P.'

- The removal of P may add complexity to the initial SAP calculation, and could have significant implications for some social housing particularly mid and high rise housing.
- There are practical issues to consider at assessment stage – for example an assessor may not be able to determine if some walls cannot be insulated and will not be able to take this into account initially – therefore the assessment will be based on the measure being installed 100%. If it transpires that less than 100% of the measure is installed in a property another subsequent assessment would be needed to validate savings, which adds time and cost to the process.
- Generally, we would prefer a much simpler system, preferably through RdSAP, in order to avoid unnecessary costs and delays.

- As far as possible, 'P' should already be accommodated within the default factors within RdSAP, or via the % wall filled section and this can be completed and signed off by a DEA, GDA, or RICS surveyor as appropriate, depending on the level of complexity.
- We would welcome further guidance from Ofgem, and immediate interim solutions, regarding the elements that need to be calculated, prior to confirming carbon savings, signing off funding and delivery contracts and mobilising works.
- It would be useful to understand the scale of the problem posed by calculating savings using 'P.' The level of inaccuracy suggested by Ofgem for CWI is reasonably low at between 1-3%. For the range quoted for EWI and IWI, there is a higher degree of inaccuracy when there is focal point heating in situ and where the measure is installed in a low percentage of the property.
- Although there is potential for a higher level of inaccuracy in these circumstances, the volumes of EWI and IWI where there is focal point heating and the measure is installed over only a small area of the property is likely to be low and the impact on the programme may therefore not be significant.
- We're also concerned that the removal of 'P' as a calculation method is likely to increase the infrastructure costs associated with the delivery of ECO, which may have a greater impact on the cost of the overall programme, negating any benefit achieved by removal of 'P.'

Technical issues for consideration

Multi-storey blocks with cavity wall construction:

- Uninsulated stairwells on mid-storey, high-storey or Scottish tenemental blocks are sometimes solid and are left untreated. In these cases, if the defaults within RdSAP are for three walls (end-terrace) or two walls (mid-terrace) then there should be no need to include 'P' because this will be reflected as 100% cavity wall filled in the RdSAP assessment.
- However, in similar housing with ground-floor level extensions, which are cavity filled or have more insulation than the pre-existing walls of the building, the RdSAP calculation should be amended.
- For mid-storey units (flats and two storey maisonettes), the calculation should reduce the saving by up to 50% (though the reduction would be less if the extension was single storey) and allow for the end subtraction of one end wall - approximately one third dependent on the total surface area.
- We would need confirmation as to whether this assessment would need to be carried out by a DEA, GDA, or RICS surveyor.
- There may also be scenarios where a property has both empty and partial cavities (with pre-insulated internal lining inside the cavity), so 'P' would differ for each wall.

Multi-storey blocks with non-standard structure to be insulated with external wall insulation

- As in the previous example, the default values in RdSAP would need to be able to account for non-insulated and exposed exterior stairwells.
- Similarly, for anomalous structures such as extensions and alterations, which affect the surface area of an exposed wall treated it would need to be confirmed which type of assessor should complete the assessment and the tools they should use.