

**Carillion response to the Energy Companies Obligation (ECO):  
Consultation on requirements for demonstrating characteristics of hard-  
to-treat cavities**

Carillion welcomes the opportunity to respond to the consultation on requirements for demonstrating characteristics of hard-to-treat cavities. 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.

We are a registered Green Deal Provider and are delivering the Green Deal and Energy Company Obligation, working in partnership with local authorities, housing providers and utility suppliers. We deliver 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>

**Response to Ofgem proposals:**

- **100% verification of narrow hard to treat cavity measures**

Though Carillion appreciates the rationale for greater verification of narrow hard to treat cavities, 100% monitoring is disproportionate, unnecessary and adds cost. We understand the need for verification of non-standard types of property; however, these proposals effectively mean that each property on a street would be subject to verification, even in instances where the houses are of identical construction. In these cases, a more measured, proportionate approach would be sufficient.

Whilst we can see the temptation to turn to independent surveyors we would ask that this be seriously considered. The GD and ECO supply chain is already under considerable strain due to protracted delays, increasing bureaucracy and ongoing changes, which have slowed the market and ultimately penalised the home owners we as an industry should be supporting. We do not believe that this is the right environment in which to be demanding an independent resource. The demands of a

third survey, which could potentially be a separate third visit, will be costly and disruptive for the home owner – both issues of concern.

We echo concerns raised by the Association for the Conservation of Energy on the feasibility of implementing this proposal when considering the existing capacity of 'independent' skilled assessors – we do not believe this requirement could currently be met without adding significant delays to delivery of the scheme.

The costs and delays being caused by the increased compliance bureaucracy and varying demands of energy companies are restricting the delivery of ECO and we would welcome an urgent review of this area. In light of this it would be counter intuitive for us to support the introduction of further bureaucracy.

- **Increased requirements on HTTC measures that require a chartered surveyor's report**

In common with the previous proposal, we believe that this proposal is overly onerous to comply with and will drive up the costs of delivering the scheme. There is a serious risk that additional reporting requirements such as this will lead to installers withdrawing from offering HTT measures, narrowing the scope of measures that are viable under the scheme and therefore undermining its delivery.

- **Increased technical monitoring**

If there is an absolute insistence that a change must be introduced, the proposals for increased technical monitoring from 5% to 10% would be the preferred option but for all of the reasons set out above we would again ask that this is given proper consideration and that the reaction to unprofessional activity is proportionate and balanced. The cost of delivering ECO should not be increased if at all possible. We would suggest that increased technical monitoring requirements are directed towards parties who have not been implementing the guidance correctly and/or should be time bound.