THS Inspection Services Ltd

Response to the OFGEM Energy Company Obligation 2015-2017 (ECO2): ECO2.2 Consultation

Background

THS Inspection Services Ltd undertake Technical Monitoring Services for utilities, installers and providers under ECO. We have a team of over 15 field - based inspectors who inspect energy efficiency measures installed across the UK.

Responses to specific questions

Question 6 – Virgin Loft Insulation – New Requirements

a) Do you think the proposed changes to our requirements will be effective in reducing false claims of virgin loft insulation? Please provide reasons for your answer in relation to each change.

The proposed changes are a step in the right direction, however any initial (C1) assessment should be accompanied by photographic evidence which should be time and date stamped to support the claim. In addition we have proposed a further control under **6c** which we feel would add an additional level of scrutiny and help prevent false claims by undertaking checks post-survey but prior to the actual installation.

b) Do you see any difficulties in implementing these changes? Please provide reasons for your answer.

There are significant practical implications in undertaking C2 inspections on loft insulation. Currently most suppliers require a 'head and shoulders' loft inspection only. If an inspector was asked to attend during an install this could be difficult as unless he was permitted to access the loft he would be blocking the access route for the loft installers. Alternatively he would need to be present in the loft itself during the install which would require careful consideration in terms of the risks to all parties of having an additional body in a confined space.

Scheduling works – Typically a loft installation could take an hour or less to complete. This means that any installer scheduling information would have to be accurate and refreshed as it changed. In practice this may be difficult to achieve, so productivity may drop leading to an increase in the unit rate which TMA's charge for a C2 Inspection on loft installations.

c) **Do you have any suggestions for other controls or requirements we could introduce to reduce or prevent such false claims? Please provide reasons for your answer.**

We feel that C1 Inspections should be undertaken on at least 20% of loft measures conducted Post EPC or Green Deal Assessment, but prior to installation. These should be undertaken by an independent technical monitoring company and evidenced by photographs.

d) **Where existing insulation is removed because it is posing health and safety risks and new insulation installed, should the measure be claimed as virgin or top-up loft insulation? Can you provide examples of health and safety risks that would require insulation to be removed and how a supplier could demonstrate these risks?**

An example of where insulation would have to be removed is if it had been contaminated with asbestos or the insulation was in fact asbestos based. We have encountered instances where this has occurred, and also where removal should have occurred, but new insulation has been laid over the top of the original contaminated materials. Best practice should align to HSE requirements for dealing with asbestos in roof spaces, however where it needs to be removed, the loft should be treated as a Virgin Loft. There are obvious additional costs relating to the appropriate removal and decontamination of the loft which would not be coverable if the loft was not considered, or funded as, a virgin loft.

Question 7: Technical Monitoring Process Revisions

a) **Do you agree it is more appropriate to assess quality of installation and the accuracy of scores separately?**

We believe that they could be treated separately, however, need to be undertaken in one visit for the benefit of the customer journey. This would not prevent the results from being reported separately, and in fact different % monitoring could be undertaken for each component. We do not believe that there is any benefit in separating the two activities completely and feel it could cause greater inconvenience for the householder.

b) **Do you agree with the proposed reactive monitoring process described in paragraphs 1.45 to 1.56 of Appendix 1? Do you think the monitoring rates are appropriate?**

We agree that the baseline monitoring rate should be at 5% for insulation measures. However, we would encourage Ofgem to consider the technical monitoring results received under ECO1 and

start each respective utility on a baseline appropriate to their performance to date.

Moving forward, where technical monitoring failures account for more than 20% of a utility submission in two subsequent quarters we believe that the required technical monitoring rate should be increased to 15%.

With regard to the heating measure baseline we believe that this should be higher, specifically gas heating measures should be set at 10%. We do not think that the current inspection regime for Gas Heating is sufficient and does not go into enough depth to assess either the safety or quality of a heating system installed or repaired under ECO.

In addition we would advocate the introduction of C2 inspections on heating works. We took part in a utility commissioned pilot which demonstrated that the quality of work increases when mid-install inspections are introduced and inspectors have an opportunity to identify potential issues and highlight them during the installation.

c) Do you agree that technical monitoring agents should have certain qualifications as explained in paragraph 1.15 of Appendix 1? Can you suggest which qualifications are most appropriate for different categories of measure?

We agree that Technical Monitoring Agents should ensure that their Inspectors are competent to inspect measures under ECO. In our view, the combination of qualifications and experience gives the necessary level of competency to determine the quality and safety of an install. Qualifications are an important component of this, however we have also added a relevant experience column as an individual possessing one without the other can mean that the Inspector is not competent to undertake the inspection.

In addition, we would advocate independent checking of Inspectors and each TMA should have their own internal audit process to continually check, measure and monitor performance and competency.

We have completed the table below, indicating our thoughts in relation to each individual measure.

Measure Category	Relevant Qualification	Relevant Experience
Gas Heating	CEN1 CCN1 QCF – Level 2 Award in Gas Safety Awareness in Residential Premises	At least 2 years demonstrable experience in Heating Technical Surveys or inspecting Gas Heating Systems as a minimum
Cavity Wall Insulation	Applicator Card Holder from System Designer	At least 2 year's experience in undertaking technical surveys installing or inspecting the measure as a minimum
External Wall Insulation	Applicator Card Holder from at least one EWI System Provider	At least 2 year's experience in undertaking technical surveys installing or inspecting the measure as a minimum
Loft Insulation	Appropriate NVQ / City and Guilds Insulation Course	Knowledge of CITB General Requirements for the Installation of Loft Insulation
Other Insulation Measures	No comment	No comment
Micro-Generation	MCS Qualification appropriate to the measure being installed.	At least 1 year experience in undertaking technical surveys installing or inspecting the measure as a minimum
Other heating	If repairs are being undertaken on Oil Heating or Solid Fuel Heating then the Inspector should hold the equivalent qualification e.g: OFT/105E or HETAS H001 and H002 Regulations and Standards.	At least 2 years demonstrable experience in Heating Technical Surveys or inspecting Gas Heating Systems as a minimum

We do not agree that an Inspector should have to be Gas Safe Registered, however recognise that there are clear benefits and downsides to the utilisation of Gas Safe Registered Inspectors to undertake Technical Monitoring on Boiler Repairs and Replacements. We have attempted to set these out below.

There are some obvious benefits in having Gas Safe Registered individuals inspect gas heating systems installed under ECO:

- Ability to rectify any unsafe situations immediately;
- Independent accreditation process of individuals deployed;

- Publically recognised qualification.

However, there are also accompanying negatives:

- A Gas Safe Registered individual has obligations to cap off any appliances as opposed to turning them off and attaching a warning notice. Whilst this is undoubtedly the most thorough approach to take, in practice this could create a difficult situation for the householder and the funder as:

    - The inspector will be held responsible for their actions by the householder and there will be an expectation that they can rectify the problem on site. The TMA's have no current remit to undertake repairs or amendments to existing systems;

    - In situations where the installation is classified as 'At Risk' but not 'Immediately Dangerous' this will likely lead to a customer complaint if they were left with a non-operational appliance and the associated costs of re-connecting the gas supply. This is likely to be particularly inflammatory during the heating season.

- In practice it would also be difficult to empower TMA's to undertake repairs as they have no authority to undertake works, the cost of which would need to be recovered from either the funder or the installer;

- Most failures would be challenged by the original installer, particularly where there was costs of rectification to be re-charged to that party. This could leave to both protracted determination of fault and liability and delayed remuneration to the TMA.

- Just because an individual is Gas Safe registered, it does not mean that they are competent to assess the suitability of a heating system for a property. They need also to have had experience of specifying, installing or inspecting gas heating systems. The Gas Safe Register assesses individuals prior to them receiving accreditation in the form of a Gas Safe card. It does not however undertake regular audits, only undertaking further checks where issues are reported. Where this does occur the follow up audits focus almost exclusively on the safety of the gas appliance as opposed to the quality of the installation and effectiveness of the whole heating system.

- Possible increased costs associated with deploying a more highly skilled operative who can earn greater returns from actual installation works.

Our recommendation is that the minimum requirements should be:

- That the company be Gas Safe Registered and employ at least one direct employee who retains registration and is responsible for supervision and internal auditing of all inspectors undertaking gas inspections.

- That the company have appropriate procedures in place to deal with gas emergencies which align with the Gas Safe Industry Unsafe Situations Procedures.

- That all inspectors should be trained to the level of CCN1 and CEN1 in order that they are competent to assess both the safety and quality of the boiler itself and the heating system as a whole.

- That all inspectors undertaking domestic inspections on ANY MEASURE under ECO should hold QCF – Level 2 Award in Gas Safety Awareness in Residential Premises or similar such that they can recognise unsafe situations and flag these to the appropriate body.

- That the funder (either directly or via their install network) make available a rectification service to attend within 2 hours of a reported safety issue. The Inspector would (where practicable) stay on site to ensure the safety of the householders until the Gas Safe Registered Operative arrived to rectify any issues.

d) Are the qualifications listed in paragraph 1.16 of Appendix 1 appropriate for score monitoring agents? Are there any other qualifications that you would suggest?

- Whilst it would should be considered 'best practice' to ensure that score monitoring agents hold a DEA qualification we do not believe that this should be mandatory. The current OFGEM Technical Monitoring Questions are not sufficiently complex to prevent an individual with basic building knowledge to complete. For TMA's who do not have qualified DEA's this could lead to an increase in costs or delay to implementation as further training is given.

- As mentioned above QCF – Level 2 Award in Gas Safety Awareness in Residential Premises or similar for all inspectors undertaking inspections of ANY MEASURE under ECO.

e) Do you agree with the proposed timescales for remedial works and re-scoring to be conducted outlined in paragraphs 1.58 and 1.59 of Appendix 1?

- We believe that the timelines should be tighter. The longer an issue is left the harder it is to gain access to a property and the greater the risk of occupant churn.

  With regard to scoring, this should be a shorter timeline than remediating a quality fail which requires practical action to be taken.

  A prudent approach would be to set a target of attaining (for example) 80% of all remedials within 1 month of the discovery of the fail. This

allows sufficient headroom to account for occurrences where the customer cannot be contacted, has been hospitalized or has moved out of the property. Where the latter occurs and the contact details of the individual change making contact with a new tenant or occupant can be problematic.