

ECO2t consultation Part 1: consultation questions

Background

The questions below relate to the ECO2 consultation on the transition period which can be found on our website:

<https://www.ofgem.gov.uk/environmental-programmes/eco/contacts-guidance-and-resources/consultations-and-feedback>

Notes For Completion

The consultation is open from 12 October 2016 to 23 November 2016. We have provided a template for responses to help us collate and analyse the feedback we receive. Please complete all relevant sections of the document by selecting an answer for the question and then providing reasons/evidence for your response in the box provided. **Please do not amend the format of the template.**

Where use of the template is not possible, other formats will still be accepted. Please send your responses to eco.consultation@ofgem.gov.uk by **close of business on 23 November 2016**.

Respondent details

Organization Name:	Leeds City Council
Completed By:	Sandy Rutherford
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Scheme extension

Q1. Do you agree with our proposed administrative approach and guidance relating to our final determination of CSCO?

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neither Agree Nor Disagree
- ☐ Disagree
- ☒ Strongly Disagree
- ☐ Don't Know

If not, please provide reasons and any alternative suggestions.

The proposed approach would mean that any excess CSCO could be moved into the suppliers CERO obligation, the CERO obligation is already low and therefore would suggest that measures should remain under the obligation they were submitted under as of the 31st March 2017, or as a minimum that suppliers declare the level they intend to move and that there is a cap on this of 10%. This would help to ensure consistency and transparency for the supply chain.

Help to heat group

Q2. Do you agree with our proposed approach to evidencing help to heat eligibility?

- ☐ Strongly Agree
- ☒ Agree
- ☐ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please provide reasons and any alternative suggestions.

Social housing with an EPC energy efficiency rating of E, F or G

Q3. Do you agree with our proposal to use a declaration signed by a social landlord to evidence that the EPC energy efficiency rating reflects the current characteristics of the property?

- ☐ Strongly Agree
- ☒ Agree
- ☐ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

These should be able to be combined in one declaration.

However the requirement for the EPC provided needs to be clear on whether EPCs from previous software versions can be used as evidence, this would clearly help to reduce administrative costs as social landlords have ongoing programmes of completing EPCs when properties are re-let. This would need confirming so that the ECO energy suppliers are not concerned that they could be challenged on the properties eligibility.

Q4. Do you agree with our proposal to evidence that premises are being let below market rate using a declaration signed by a social landlord?

- ☐ Strongly Agree
- ☒ Agree
- ☐ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

Agree, however we do suggest that consideration needs to be given to charitable organisations that support short-term housing such as homeless charities.

Q5. Do you agree that where multiple measures are installed in a single property, a further declaration should be signed by the social landlord after each installation to confirm the energy efficiency rating remains below Band D?

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neither Agree Nor Disagree
- ☐ Disagree
- ☒ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

We believe that if a property starts as an E, F or G all appropriate and recommended measures should be able to attract a subsidy. Best practice recommends a whole house approach, "fit once and do well", as being the most effective and efficient approach. Indeed one of the criticisms of ECO and Green Deal has been that it has led to the installation of single measures rather than tackling all of the measures recommended in an EPC or GDAR. The suggested approach would seem to replicate this failing. There is already a mechanism in place to limit the ECP provided, as the amount of ECO depends not only on the rate offered but also the household cost saved. These savings are recalculated after each measure is registered and goes down as measures are applied to the property. Another criticism of ECO and Green Deal is that it is too costly to administer, and steps have been taken in this revision to simplify matters. The proposed process seems unnecessarily bureaucratic and complicated, going against the ethos of the proposed reforms. Our proposed approach is much simpler to administer.

First time central heating

Q6. Do you agree with our interpretation of “at no point prior”?

- ☐ Strongly Agree
- ☒ Agree
- ☐ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

In relation to certain central heating options (see question 8) we agree with the interpretation of 'at no point prior', and agree that where there has been a system previously but it is either no longer present or not working that this should not be eligible under this scheme.

Q7. Do you agree with our proposal to evidence that a central heating system or an electric storage heater was not present prior to installation of a central heating system or DHS using a declaration signed by a social landlord?

- ☐ Strongly Agree
- ☒ Agree
- ☐ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

Agree that a declaration signed by the landlord should be used to evidence that a central heating system was not present beforehand, however we do not agree with other aspects of the proposal see question 8.

Q8. Do you agree with the primary heating sources we have listed as eligible for first time central heating measures?

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neither Agree Nor Disagree
- ☐ Disagree
- ☒ Strongly Disagree
- ☐ Don't Know

If not, please identify which primary heating sources you think should be included/excluded.

We do not agree with the inclusion of properties with electric storage heaters under the definition of 'first time central heating'. As per the definition given: 'a system which provides warmth to two or more rooms through a series of connected heat emitters linked to a central boiler or some other heat source and controlled from one central point', storage heaters are not connected to each other and are not controlled from one central point.

As per the ECO Help to Heat Consultation residents in social housing 'are generally more likely to also be living on lower incomes than those in private tenure, and where social tenants live in energy inefficient properties they tend to have a high likelihood of being fuel poor'. Storage heaters are notoriously difficult to control and where a property has storage heaters and meets the proposed E, F or G criteria the resident is likely to be in fuel poverty and therefore should be eligible under this scheme. There does not seem to be a clear and relevant distinction between a storage heater and any other form of electric room heaters.

Social Housing providers are facing significant budgetary pressures as a result of facing 4 years of rent cuts when they had previously been promised and budgeted for 10 years of CPI+1% increases. This reduction to their main source of income seriously restricts their ability to deliver fuel poverty measures without the assistance of grant funding.

Q9. Do you agree with the heating measure types we have listed as eligible for evidencing first time central heating measures?

- ☐ Strongly Agree
- ☒ Agree
- ☐ Neither Agree Nor Disagree
- ☐ Disagree

☐ Strongly Disagree

☐ Don't Know

If not, please identify which heating measure types you think should be included/excluded.

Water source heat pumps should also be included. Other examples agreed.

Flexible eligibility

Q10. Do you agree with the proposed approach for administering local authority declarations for HHCRO eligibility?

- ☐ Strongly Agree
- ☐ Agree
- ☒ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

Broadly agree to the administration requirements for eligible households. We would suggest using the already existing UPRN for a property, rather than creating a separate unique number. We agree that eligibility criteria should be published by any local authority who wishes to use them. In principle we have no objection to measures to reduce fraud but if local authority declarations come from a relevant (defined) local authority email address, this should act as enough verification without further signature. The original email could be kept as verification and as auditable evidence of correct administration. However for release of the wider details clarity is needed whether there will be any requirements where a local authority is part of the ECO supply chain at any level. In addition consideration needs to be given to whether there will be any action for suppliers who do not accept eligibility declarations provided by local authorities.

It is a little unclear on whether a local authority will be required to list the measure the customer is installing. If this is the intention then we would not agree with this. The local authority should be establishing whether the customer is eligible for the scheme on the basis of their circumstances, not their suitability for an individual measure. Responsibility for establishing the suitable measures should remain with the supplier and their supply chain alongside customer agreement.

Requiring the local authority to establish whether the customer is eligible for a particular measure would bring in unnecessary administration and may not be something that they can confirm. In addition there are times when the measures to be installed are changed/added to, under this scenario this would require a duplicate check by the local authority again adding unnecessary administration and likely delays in delivery.

Regular score minimum requirement

Q11. Do you agree with the list of measures in Table 4 that we propose should not count towards the RSMR?

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☒ Don't Know

If not, please identify which measure you think should be included/excluded.

Party cavity wall insulation

Q12. Do you agree with our proposal to distinguish between the different in-use factors for PCWI based on the date of installation?

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☒ Don't Know

If not, please state your reasons and any alternative proposals.

Evidencing pre-existing loft insulation

Q13. Do you agree that a PAS pre-installation survey can be used to record the depth of any pre-existing loft insulation?

- ☐ Strongly Agree
- ☐ Agree
- ☒ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

This seems a sensible approach. However guidance needs to be provided on how properties will be audited against existing records that the supply chain do not have access to. Often the customer has not been in the property long enough to confirm that in the case of virgin lofts that there has never been insulation in the loft or whether it has been recently removed. It is then at the risk of the supply chain whether to install the insulation. While there should only be a relatively small number of these lofts remaining they are an excellent and cost effective way to reduce fuel costs and carbon emissions. Could it be considered what data could be shared so that the supply chain has confidence that they will not lose measures in these situations, perhaps through home owner consent? Alternatively this could be an area where local authorities could be involved in policing this data.

Q14. Do you agree that 3% of technical monitoring for loft insulation measures should take place pre-installation?

- ☐ Strongly Agree
- ☐ Agree
- ☒ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

This is preferable to requiring a document to be left in the loft that can be dislodged or removed by the

customer prior to a post install inspection, however this will cause issues and delays in delivering a measure that normally has a quick turn-around.

Confirmation would need to be provided on the minimum level of installations required to trigger pre-install surveys, as low level delivery would be dis-proportionally affected by delaying installs to allow time for inspections.

Q15. Do you agree that the depth of any pre-existing loft insulation can be checked post-installation during a technical monitoring inspection?

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neither Agree Nor Disagree
- ☒ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

It needs to be clear that the TMA takes a fair approach in this situation and for example takes in to account that the new insulation will weigh the pre-existing insulation down to some degree, therefore reducing its apparent depth. In addition where an average level of insulation (possibly due to insulation being moved out of the way for storage) has been entered, the visible areas post-installation may not be to the same depth. Some clear guidance on judging the depth of pre-existing loft insulation needs to be provided linked to these points so that there is high certainty in the supply chain and to reduce disputes post installation.

Evidencing non-gas fuelled premises

Q16. Do you agree that the PAS pre-installation survey can be used to evidence the main heating system fuel type for the premises?

- ☐ Strongly Agree
- ☒ Agree
- ☐ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

New build definition

Q17. Do you agree with our proposal to evidence occupancy for all ECO measures as an alternative to demonstrating that premises receiving ECO measures are not new build?

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neither Agree Nor Disagree
- ☐ Disagree
- ☒ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

This needs to be clear here what evidence is acceptable in the instances where, e.g. a rented property is between tenancies. There should be an option for the owner to declare that the property has been previously occupied in these instances, this could then be captured as part of the landlord permission form to reduce the administration required. Would also suggest that the use of documents listed under 4.12 be standard options and not listed for use only if those listed elsewhere cannot be obtained. Many areas of deprivation have a large number of empty homes which act as a blight on the area. An aim of any regeneration scheme would be to bring these empty properties back into use. It is more efficient to carry out all energy efficiency works while the general renovation and refurbishment of the home is being carried out. This is likely to mean that the house is currently unoccupied. It is often difficult to find the owner of these properties and so it is likely to be equally difficult to prove a property has been unoccupied. Though if the house is pre-1919 for example it is very unlikely that it has never been occupied. Some form of exemption either for area based schemes or for empty homes being brought into use, should be developed if this proposal is adopted.

Q18. Where premises are unoccupied, do you agree with our proposal to evidence previous occupancy?

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neither Agree Nor Disagree
- ☒ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

As per answer to question 17.

Q19. Where a measure is delivered exclusively to a new build extension, do you agree with our proposal to evidence that the extension was completed before installation using building control sign off?

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neither Agree Nor Disagree
- ☒ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

Additional measures should not be required in these extensions.

Q20. Where there is no evidence of occupancy prior to installation, do you agree with our proposals for evidencing that premises were erected before 1 April 2017?

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neither Agree Nor Disagree
- ☐ Disagree
- ☒ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

Some buildings, for example where they have been in constant ownership are not registered with the land registry, this could be a substantial problem in empty buildings where the previous owner has died and the new owner wishes to renovate before occupation. See question 17

Automatic extensions for 5% of measures

Q21. Do you agree that the first 5% of late measures notified to us for a particular calendar month, without an extension request, should be processed automatically?

- ☐ Strongly Agree
- ☐ Agree
- ☒ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

Q22. Where the automatic 5% allowance is exceeded within a single month's notifications, do you agree that a supplier should be given an opportunity to determine which measures it wants to include in the automatic 5% and which it will submit an extension request for?

- ☐ Strongly Agree
- ☐ Agree
- ☒ Neither Agree Nor Disagree
- ☐ Disagree

☐ Strongly Disagree

☐ Don't Know

If not, please state your reasons and any alternative proposals.

Q23. Where a supplier does not indicate to us which measures it wants to include in the automatic 5% within 10 days, do you agree that we should select which measures will be automatically processed?

☐ Strongly Agree

☐ Agree

☒ Neither Agree Nor Disagree

☐ Disagree

☐ Strongly Disagree

☐ Don't Know

If not, please state your reasons and any alternative proposals.

Trading obligations

Q24. Do you agree with our proposal that where a supplier trades between its own licences, it must trade to the licence with the biggest original obligation?

- ☐ Strongly Agree
- ☐ Agree
- ☒ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

Q25. Do you agree with our proposals for trading between different suppliers, that:

- a. trades must be to the receiving supplier's licence with the biggest original obligation
- b. an application must include the annual turnover of the licence that would be taking on additional obligations, and
- c. where a supplier is taking on an amount greater than its original phase 3 ECO2 obligation, do you agree with our proposed evidence requirements to demonstrate that the supplier can deliver the additional obligation?

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☒ Don't Know

If not, please state your reasons and any alternative proposals.

Q26. Do you agree with our proposed timescales for processing trading applications?

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☒ Don't Know

If not, please state your reasons and any alternative proposals.

PAS

Q27. Do you agree with us collecting an installer's PAS certification number as part of notification?

- ☐ Strongly Agree
- ☒ Agree
- ☐ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.