

# Right Surveyors Asset Management Ltd

**Professional | Local | Independent**

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FAO Mr Will Broad  
Head of ECO  
The Office of Gas and Electricity Markets  
9 Millbank  
London  
SW1P 3GE

24<sup>th</sup> September 2013

Dear Mr Broad

## **RE: ECO Consultation Document - Response**

We write to you as a company of Independent Chartered Surveyors (with over 20 Chartered Surveyors, as well as additional support staff) currently providing some 500 or so Chartered Surveyors Reports every week, for Hard-to-Treat cavities under the Energy Companies Obligation. We operate with national coverage, throughout England and Wales, and also provide related services in the form of EPCs and other energy efficiency advice and reporting. Our Managing Director was one of the first 30 or so Chartered Surveyors to receive the 'ECO Assessor' designation from the RICS.

We were surprised to read your consultation document and we lay out below the extent of the implications, as we see them, which you may or may not have considered. We also elaborate on a viable alternative.

Fundamentally, a target reduction of some 20.9 megatonnes of CO2 before 31st March 2015 is absolutely untenable if your changes are to push ahead. By changing the system in such a way as proposed, you risk utter failure in the task laid out before the industry, via statute, by the Government - sacrificing the success of the improvement drive as a whole.

In particular, our reservations can be broken down into two salient points:-

- 1) Vastly increased on-site inspections for qualified Chartered Surveyors
- 2) Confusion as to the definition of independence within the signing off process

### **1) On-site Inspections**

Under section two of the consultancy letter, Chartered Surveyors are required to "personally assess the site on which s/he is reporting."

A requirement to inspect each one of our properties will mean two things:

- Through simple time considerations, the number of surveys we, and all other Chartered Surveying practices, can produce will dramatically reduce, from hundreds down to dozens. Fewer CSRs means fewer installations, which means substantially lower CO2 savings and, ultimately, failure.
- A fully qualified Chartered Surveyor's time is valuable. On-site inspections are expensive and would, at a minimum, quadruple our fees - unfairly squeezing our clients and duplicating our time to check information we already have (or should have) from the Installer's Technical Report.

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I would stress that the relationship we have with our clients is one of mutual trust. We stringently require thorough proof of HTT justifications where we aren't inspecting and receive it in all instances. More is made of this point under the Solution below.

## 2) Independence

Both S1. and S2. stress the need for inspectors to be "independent from the supply chain". This is an entirely unreasonable request, which flies in the face of the relationships already established within the industry and encouraged by such bodies as the RICS in their own ECO training programme and CIGA.

As it stands, surveyors work with Installers to approve installations and the terms of engagement are between these two parties. The surveyor remains entirely neutral throughout and will only sign off on an installation when entirely satisfied of the HTT justification.

Are we correct in understanding that a requirement for 'independence' will render defunct all relationships between surveying companies and installers, leaving only those surveyors already working for Suppliers still able to provide CSRs? The Suppliers will therefore be in control of all such work as an oligopoly (virtual collective monopoly) and as a consequence they will have to (and be able to dictate to) all participants in the market.

If so, this is uncompetitive, unfair, completely against the advice of the RICS and absolutely counter-productive to achieving the targets set by the Government. We can only assume that we have misunderstood this aspect.

Enacting this section of the proposals would simply exclude hundreds of surveying firms, with their expertise and experience, from the market altogether. The number of completed installations would undoubtedly catastrophically fall following this for the extensive HTT categories under S.2 of the Consultation Letter.

We note that Independence is also a requirement under S. 1 of the letter. The problem outlined above will be precisely the same, as Chartered Surveyors are evidently some of the best placed and most "appropriately skilled and experienced" to provide such a service for the clarification of narrow cavities.

I can only hope that we are mistaken on this and, if this is the case, significantly greater clarification is evidently required on this point to avoid confusion.

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**In essence, we understand that the objective is to ensure greater accuracy of notification of HTTC measures. This means that some actions have been carried out which are either not carried out with sufficient attention to detail and diligence or are fraudulent. The principles of our solution are laid out below.**

The onus to prove HTT **must** be placed on the installers who are **already** on site.

Undoubtedly, it is the problem of mistakes and, potentially, fraud by the installers that you look to address with the measures discussed in the consultation, but this is a problem that must be addressed at source - not by burdening a blameless part of the process and jeopardising the whole programme.

It is therefore the requirements we and many other reputable surveying companies **already** place on our installers that you must standardise and enforce. Undoubtedly these could be gleaned by simply asking significant industry professionals or other operators for advice. Should you require advice or consultation with regards creating standardisation, and thereby helping with the enforcement of procedures, we would be happy to assist and advise.

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We would suggest that you ensure a specified level of indisputable proof is provided by every Installer to every Chartered Surveyor across the whole industry for every known category of HTT.

This would be easy to publish, easy to understand for all stakeholders and easy to differentiate, at your end, between those that are accurate and those that aren't.

Any inaccuracies remaining would then either be negligent or fraudulent. A requirement for inspection of a minimum % would be possible to assist with ensuring the standards are followed, but to impose an obligation to inspect all properties would be impractical in the extreme.

## **We urge you not to adopt these proposals without significant modifications**

Adaptations to the current process evidently do need to be made in order to bring the release of funding in line with the actual HTT cavity numbers.

The measures you propose, however, will potentially cause such a significant dam in the flow of work that many installers will need to downsize their operations, including making redundancies.

As surveyors, you might feel that we would be pleased that there will be a significant increase in the level of work for us. However, we, and many other operators, have excess demand already as the wider economic market has improved. We are looking to recruit more professional surveying staff. This is already proving difficult.

If the proposals are enacted we estimate that a 400% increase in residential Chartered Surveying staff will be required across the market as a whole – based on our own operation. There are simply not the resources available to meet this extra requirement.

It would bring us no pleasure to see a well intentioned piece of legislation made to fail due to the methodology of its implementation.

**To conclude, we predict that, under the proposed conditions, the industry will simply not be able to meet its targets, obligations and reductions in emissions under the Energy Companies Obligation.**

**We implore you to rethink your position. Whilst action is perhaps required to refine and improve the standards and processes currently in place, such a fundamental change in the area proposed will have significant and far-reaching consequences which will prevent the aims of the Statute being achieved.**

We note that you were considered in your decision following consultation on removing the letter 'P' from the score calculations, moving in favour of the majority, and trust you will show the same deference to practical and popular opinion in this instance.

Yours Sincerely

Liam Bunclark MRICS  
**Chartered Surveyor | ECO Assessor | Managing Director**