

The Future of the Code for Sustainable Homes: - making a rating mandatory

Consultation Response from National Energy Services 22 October 2007

About National Energy Services

National Energy Services (NES) owns and operates both the NHER scheme and SAVA.

The NHER is the UK's first and largest energy rating scheme, established in 1990. It provides software, training, accreditation, research and consultancy for organisations and individuals involved with improving the energy efficiency of homes. The NHER's members are consultants, architects, surveyors, energy companies, local authorities, social landlords and builders.

SAVA provides software, training and accreditation for Home Inspectors and all aspects of Home Condition Reports. It is the largest independent training provider for Home Inspectors. SAVA was the first certification scheme for Home Inspectors.

Consultation Questions

Additional response about certification bodies and the relationship with the BRE (page 17).

The consultation document clearly describes a future where:

- a. Assessors will be encouraged/mandated to be capable of issuing both EPC and Code certificates;
- b. BRE will have complete ownership of the Code (despite its development having been funded by the tax payer over many years);
- c. BRE will have complete discretion over the licensing of other organisations wishing to offer training or accreditation services to Code Assessors; and
- d. BRE will be able to charge licensed organisations "commercial rates commensurate with the services provided by BRE and BRE's rights in intellectual property contained in the Code" – effectively any amount that BRE deem fit.

This arrangement is completely unacceptable.

It effectively grants BRE a commercial monopoly over the training and accreditation of Code Assessors. Furthermore, if BRE were to be approved as an Accreditation Scheme for Assessors issuing on-construction EPCs for dwellings, they would be able to leverage their privileged position in respect of the Code to establish a monopoly in this market too.

BRE would be able to require sensitive/commercial information as part of the licensing process for other accreditation/certification schemes. If it is also a competitor to those schemes, this is entirely inappropriate.

There is an established market for the provision of training and accreditation for Assessors issuing quality assured energy ratings for dwellings as part of the Building Regulations. National Energy Services, Elmhurst Energy Systems and others have operated successfully in this market for many years, providing services to builders, architects and others and helping to promote high standards of energy efficiency in newbuild homes.

It is completely unacceptable that CLG should propose to destroy this competitive market and provide BRE with the opportunity to establish a commercial monopoly. Such a development would clearly not be in the interest of the assessor, the home builder or the home buyer and cannot be allowed to develop.

If BRE wish to retain and commercially exploit their ownership of the Code (and CLG are prepared to grant them permission to do so by mandating its use), then they should withdraw from the market for the provision of training and accreditation. They should also be precluded from approval as an accreditation scheme for On Construction Domestic Energy Assessors.

Q1. Do you agree that a rating (not an assessment) against the CSH should be mandatory for all new marketed homes from April 2008?

Yes, all new marketed homes should be required to have a rating. The CSH offers guidance and encouragement towards improving the sustainability of housing and all developers should be required to engage with it, at least to acquire a certificate of non-assessment. The most scope for improvement lies with the developers who are currently building homes to the lowest legal standards and who would not be expected to participate in a voluntary scheme.

Mandating a rating but not an assessment provides the strong steer needed, whilst still allowing flexibility.

It is feasible for the CSH to be made mandatory from April 2008. However this date is hugely challenging if it is to be successfully implemented.

Q2. Do you agree that where homes are not assessed against the CSH, potential buyers should be given a document which clearly states that it has not been assessed? Would you prefer that this document is: a) a zero star certificate; or b) a standard letter?

Yes, potential buyers should be given a document as consumer awareness is key in generating demand for more sustainable homes. A zero star certificate is preferable as a standard letter would not appear official and will be more difficult to police.

Q3. Do you agree that, before we make rating against the Code mandatory, we should require that all Code assessor organisations (or self-employed individuals) are able to provide Code and EPC services as a single package?

No, we do not agree for two reasons.

Firstly, whilst it makes apparent sense for house builders to commission their Code rating and their EPC from the same assessor, it is inappropriate for Government to insist that Code assessors *must* also be licensed to issue EPCs per se. If there are benefits of assessors producing both Code ratings and EPCs then the market will automatically shape itself this way – no Government intervention is required.

Secondly, insisting that Code assessors are also EPC assessors strengthens the monopoly of the BRE in this market and completely undermines the desire to establish an open and competitive market for the provision of training and accreditation services for EPC assessors as well as Code assessors. (See “Certification bodies and the relationship with the BRE” above).

However, it is recognised that the competence standards of Code assessors in regard to calculating the energy/carbon data should be identical to the standards required to produce an EPC. We would suggest that it is a requirement that the energy/carbon data for the Code rating is sourced from an EPC assessor, who can either be the same individual or different individuals.

Q4. Do you agree that the HIP would be an appropriate mechanism for ensuring homebuyers are provided with a rating against the CSH? Do you think it is necessary to have legislative powers to ensure that both design stage and post-construction certificates are given to homebuyers?

Yes, we agree that Code certificates (or statement of non-assessment) should be in HIPs - in the same way as EPCs. For properties being marketed prior to completion, Code certificates should be presented in the same way as EPCs; a Predicted Energy Assessment is included for properties sold off-plan (a requirement under the HIPs Regulations) and the final EPC is required on completion (under the EPBD Regulations). When HIP Regulations do not apply, we support the suggestion of additional legislation – as has been implemented for EPCs. This arrangement was initially not clear to developers and others in the supply chain but lessons learnt in implementing EPCs can be used for Code certificates, ensuring much smoother implementation.

Including Code certificates in the HIP will ensure that the importance and legal status of the certificate will be clear to the purchaser.

Q5. Do you agree that there should be a transitional period for the introduction of a mandatory rating against the code? If there is a transitional period, should this come into effect for new homes that either: a) apply for planning permission after April 2008, or b) reach the Initial Notice, Full Plans or Building Notice stage of the building control notification process after April 2008?

No comment.

Q6. Do you agree with our analysis of the likely demand for assessments and that there will be sufficient Code assessors available?

No, we do not agree that the analysis undertaken was appropriate and would require further information to be able to provide a full answer. No analysis has been shown of how market conditions can be expected to develop and we are concerned about this - see “Certification bodies and the relationship with the BRE” above.

The fact that currently some Ecohomes/Code assessors only do 4 assessments per year (as cited in the consultation document) suggests that this is their desired level of involvement in this aspect of what is probably a varied workload. We cannot simply assume that they will absorb the additional workload.

It is in the industry’s interest that assessors can be chosen from a range of local individuals – including a choice of Accreditation Scheme. If the Code is to be made mandatory, it is not acceptable for the Government to deem the market satisfied by the number of assessors already trained (and most likely accredited) by a single organisation.

Q7. Do you agree with the principle that the CSH should be changed to reflect changes to building and other regulations? Do you agree that the CSH should be revised in light of changing Building Regulations in 2010?

The Code will need to be updated to include technologies and approaches or new relevant standards e.g. new waste strategies. But the core principles should not shift. If additional credits were required to take account of new/advanced standards in the future, they should be introduced in such a way that minimizes impact on existing ratings.

To achieve comparability in the housing market between the sustainability of different homes, any home with a Code rating should be assessed in the same way as any other home with a Code rating. The development of SAP has shown that drastic alterations to the scale cause confusion in the market; the question must now always be asked about which version of the SAP scale was used for a particular dwelling. As the Code is designed with a much shorter horizon than SAP (i.e. to 2016, or zero carbon as a minimum requirement) it should be possible to maintain comparability with a consistent scale.

Further Comments

It is important for the sustainability of all housing to be comparable, as potential home buyers will usually consider a choice of new and existing homes. The CSH relies on market demand being created by these buyers for more sustainable homes. Many aspects of the Code can be improved retrospectively (albeit at much greater cost) and guidance towards and recognition of this should be clearly encouraged.

According to the 40% House report there are around 24 million existing dwellings, with only 180,000 new units (0.75%) built each year. Setting a target of all new homes complying with Code level 6 by 2016 will clearly bring the capital costs of many new technologies down, with spin-offs in the very much larger existing homes sector. To make full use of these, a correspondingly ambitious carbon target for existing homes is also required, backed up by specific programmes designed to meet this target.

National Energy Services
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