

CIOB Response to the Energy Company Obligation EC04: 2022-2026 Consultation

21. Do you agree that ECO should target SAP band D, E, F and G homes?

Yes.

We agree that this should target the above bands. However, it is important to note that there are safety risks associated with older homes and traditional buildings.

Where traditional buildings are concerned a risk-based approach should be taken. Appropriate tools should be used to undertake the assessment on traditional buildings, such as the Sustainable Traditional Buildings Alliance (STBA) Responsible Retrofit Guidance Wheel.¹ This wheel provides information on measures to improve the energy efficiency of traditional buildings and the development was funded by the Department of Energy and Climate Change (DECC). Using the wheel will help ensure that a home will be able to achieve the highest possible band that can be safely achieved and not simply the minimum standard requirement laid out in the consultation.

We would encourage further investigation into using the STBA Responsible Retrofit Guidance Wheel as this would assist when a Retrofit Coordinator undertakes a risk assessment. The Wheel can indicate the seven measures required to make sure that energy efficiency measures are safely installed for the building with no risks to the building or occupants.

22. Do you agree that band F and G homes should be improved to at least a SAP band D, and that band D and E homes should be improved to at least a SAP band C, as a minimum requirement to receive a full project score

Yes.

23. Do you agree to a requirement for a minimum number of private tenure homes in SAP band E, F and G homes to be upgraded?

Yes.

We agree there should be a target minimum number of private homes to be upgraded. However, these targets should not be done in a way that bypasses an assessment process which identifies the most appropriate energy saving measures to be implemented.

Without assessing buildings, it is unknown as to how safe or appropriate it is to insulate solid walls. Therefore, such a target does not consider the number of homes where this will be feasible. The private sector rental regulations already acknowledge that wall insulation is potentially high risk and therefore provides a mechanism for ascertaining

¹ STBA, [Responsible Retrofit Guidance Wheel](#)

whether wall insulation is suitable with an outcome that could mean that it will be deemed technically unsuitable.

Note that there are disadvantages in providing internal wall insulation. Existing buildings of traditional construction have thermal mass which means they have the ability to store heat. This means that once a heat source is being removed the storage of heat within the building fabric means that the benefits of that heat source is still retained for a period of time. It means that there is reduction in condensation risk and therefore mould growth because there is a greater chance of temperatures being retained above the dew point temperature. Also, when there are fluctuations in external temperatures, thermal mass means that the temperature difference internally is far less and therefore puts less pressure on heating appliances to periodically be fired up retain internal temperatures to a comfortable level. Summer overheating will increasingly become a problem and with thermal mass providing cool surfaces, the circulation of air crossing over such surfaces helps to reduce internal temperatures. These factors are not acknowledged in the proposals for ECO4.

26. Do you agree with the proposal that households in receipt of WHD also be eligible under ECO4, if they live in band D-G homes?

Yes.

37. Do you agree with our proposal to (a) support low-income private rental households, with the design being subject to the outcome of the PRS consultation; and (b) limit support to packages of measures that meet the MR including solid wall insulation, first-time central heating, a renewable heating system or district heating?

Yes.

Overall, we are supportive of the above proposal. However, on wall insulation for the private rented sector specifically, we feel there needs to be clear reference in ECO4 to private rented sector regulations which provides further detail on wall insulation and the provision for an expert to assess the suitability of work being undertaken on the building.

We suggest that ECO4 makes it a requirement for an expert to assess and evaluate suitability as a matter of course and this would therefore be consistent with another government regulation.

40. Do you agree that the scope of the Home Heating Cost Reduction Obligation (HHCRO) should be broadened to a Home Energy Cost Reduction Obligation?

Yes.

We agree that a wider approach should be taken to improve the overall energy efficiency and energy consumption of a household. It will also help address homes unable to install solid wall insulation.

41. Do you agree with our proposal to maintain a Solid Wall Minimum Requirement set at 22,000 solid wall insulation measures per year for ECO4 and remove the option for this to be met via alternative measures?

No.

One size does not fit all when it comes to solid wall insulation and there is a need to consider each dwelling on an individual basis. For some homes, wall insulation is not the appropriate measure and can do more harm than good, especially for heritage and hard-to-treat properties. In these instances, a target which incentivises trades people to install solid wall insulation would only encourage inappropriate installations. Rather, ECO4 should require an assessment of the building on improvements that are appropriate and should be made and not rely on targets that could be dangerous and damage existing housing stock. Setting targets has the potential to negatively impact consumer confidence if properties are left in a worse condition than they were originally due to inappropriate solid wall insulation.

In table 26 of the ECO4 consultation stage impact assessment, the findability rate of solid wall insulation was one of the lowest at 11 per cent each year compared to loft insulation at 16 per cent each year. Therefore, setting a target on one of the hardest to find eligible measures is being set-up for failure or for inappropriate work being undertaken in order to meet targets.

The ECO3 target was to treat at least 17,000 each year through solid wall insulation. However, when looking at data produced by the Department for Business, Energy & Industrial Strategy's (BEIS) Household Energy Efficiency Statistics² data indicates that between October 2018 and December 2020 a total of 33,235 solid wall insulation were installed. Looking at October 2018 to 2019 only 13,755 were installed which is significantly below the target of 17,000 per year. Between November 2019 and December 2020, the number of solid wall insulation being installed in households went above target by over 2,000 more installs. However, this period largely took place during the COVID-19 pandemic where many homeowners spent an increasing amount of time at home either due to work or lockdowns.

With more people living and working in their homes, the Office for National Statistics (ONS) saw a rise in the number of people reporting that they had made home improvements.³ During this time, the Green Homes Grant, which has since been disbanded, was introduced to incentivise homeowners to improve the energy efficiency of their homes. The last data from the Green Homes Grant shows that a total of 5,512 solid wall insulation was installed through the voucher scheme.⁴ With people now returning back to work and the Green Homes Grant no longer available, these figures for solid wall insulation are likely to drop to pre-pandemic levels.

Despite the increase in homeowners installing solid wall insulation, this still did not meet the proposed 22,000 installs that ECO4 wishes to set as a target. The risk of chasing an unattainable target risks more homes being fitted with a measure that could damage

² Department for Business, Energy & Industrial Strategy (BEIS), Household Energy Efficiency Statistics, headline release (February 2021), published February 2021

³ Office for National Statistics (ONS), Coronavirus and the social impacts on Great Britain, published July 2020

⁴ BEIS, Green Homes Grant Voucher Release, published August 2021

their health or the fabric of their home which could cause further long-term damage and mistrust of the construction industry. We urge ECO4 to avoid implementing a target that will cause negative and potentially irreversible repercussions.

Additionally, this target is counterproductive for broadening home heating cost reduction to home energy cost reduction as it discourages new products and innovations to further improve the overall energy cost rather than heating cost. To aid in a wider approach being taken to improve the overall energy efficiency and energy consumption of a household, providing tradespeople with a target for solid wall insulation will only reduce the scope of work undertaken.

42. Do you agree with our proposal to introduce the proposed minimum insulation preconditions for all homes receiving heating measures?

Yes.

However, we urge caution on traditional and historical buildings. PAS 2035 indicates a risk-based approach to buildings that are not fabric first.

57. Do you agree with our proposed approach for allowing exemptions to the minimum requirements? If you propose additional exemptions, please suggest how they could be evidenced.

Yes.

The exemptions should be extended to solid walls of buildings classed as traditional and heritage constructed buildings where an assessment indicates that there are risks that cannot be mitigated. Evidence can be provided by producing a report from the STBA Responsible Retrofit Guidance Wheel operated by someone with appropriate expertise and competence.

67. Do you agree with our proposal to allow uplifts for hard-to-treat issues for owner-occupied E, F, and G homes only?

Yes.

It is important to provide incentives for hard-to-treat issues but to retain a limit on uplifts in package.

68. Do you agree with our proposed methodology for hard-to-treat uplifts? Please also suggest forms of evidencing for hard-to-treat.

Yes.

96. Do you agree with our proposal to expand on the current criteria for determining whether there is an improvement to include environmental impact consumer care, and delivery costs?

Yes.

It must be made clear that those investing in products that are new to market or lack economies of scale and therefore more expensive is included as a positive factor in the criteria and not as a supplementary consideration. There is a global shortage of materials and products and to encourage the industry to be more innovative and use new to market products then there needs to be an incentive. Furthermore, we agree that including environmental impact and consumer care allows for added value to be considered within a project and is a more holistic approach.

We would also like to see an expansion of analysis methods to ensure that measures used to assess the type of work to be undertaken is accurate, robust and considered an industry standard. For example, the default values in RdSAP suggest that the U Values of solid masonry walls are worse than they are in reality on most occasions. This is evidenced by work undertaken by the BRE, SPAB and others.

The data from using RdSAP often results in the installation of solid wall insulation which will not improve the insulation values of the walls by the assumed percentage as the walls are already performing better than RdSAP indicates. By undertaking an in-situ U value test, the real U value in a wall can be ascertained with a fair degree of accuracy.

By expanding analysis methods this approach will minimise risk of installing a measure that potentially carries a high risk, it also ensures that's such a costly measure is only installed where it is necessary.