# Next steps to zero carbon homes – Allowable Solutions

# **Consultation - Response Form**

#### How to respond:

Please respond by email to: Building.Regulations@communities.gsi.gov.uk.

The closing date for responses is 5pm on 15/10/13.

#### About you:

Name:	David Hawkes
Position:	Policy and Sustainability Officer
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(i) Are the views expressed on this consultation an official response from the organisation you represent or your own personal views?

 $\boxtimes$ 

Organisational response	
Personal views	

(ii) Are the views expressed on this consultation in connection with your membership or support of any group? If yes please state name of group:

Yes	$\boxtimes$
No	

Name of group:

CIOB membership generally, and the Faculty of Building Control and Standards.

#### (iii) Please tick the *one* box which best describes you or your organisation:

Builders / Developers:	Property Management:	
Builder – Main contractor	Housing association (registered social landlord)	
Builder – Small builder (extensions/repairs/maintenance, etc)	Residential landlord, private sector	
Installer / specialist sub-contractor	Commercial	
Commercial developer	Public sector	
House builder	Building Control Bodies:	
Building Occupier:	Local authority – building control	
Homeowner	Approved Inspector	
Tenant (residential)	Specific Interest:	
Commercial building	Competent Person Scheme operator	
Designers / Engineers / Surveyors:	National representative or trade body	
Architect	Professional body or institution	$\boxtimes$
Civil / Structural Engineer	Research / academic organisation	
Building Services Engineer	Energy Sector	
Surveyor	Fire and Rescue Authority	
Manufacturer / Supply Chain	Other (please specify)	

### (iv) Please tick the *one* box which best describes the size of your or your organisation's business?

Micro – typically 0 to 9 full-time or equivalent employees (incl. sole traders)
Small – typically 10 to 49 full-time or equivalent employees
Medium – typically 50 to 249 full-time or equivalent employees
$\boxtimes$
Large – typically 250+ full-time or equivalent employees
None of the above (please specify)

## (v) Would you be happy for us to contact you again in relation to this consultation?

Yes	
No	

DCLG will process any personal information that you provide us with in accordance with the data protection principles in the Data Protection Act 1998. In particular, we shall protect all responses containing personal information by means of all appropriate technical security measures and ensure that they are only accessible to those with an operational need to see them. You should, however, be aware that as a public body, the Department is subject to the requirements of the Freedom of Information Act 2000, and may receive requests for all responses to this consultation. If such requests are received we shall take all steps to anonymise responses that we disclose, by stripping them of the specifically personal data - name and e-mail address - you supply in responding to this consultation. If, however, you consider that any of the responses that you provide to this survey would be likely to identify you irrespective of the removal of your overt personal data, then we should be grateful if you would indicate that, and the likely reasons, in your response, for example in the comments box.

# **Questions:**

<u>Please note:</u> We very much welcome your views to help inform our decision on the way forward on standards. However, you are not obliged to answer every question. You can focus only on the sections that are most relevant to you.

# Chapter 1: Fabric energy efficiency and carbon compliance

Question 1	Do you agree that the government should base its consideration for energy performance standards for 2016 on the fabric energy efficiency and carbon compliance standard recommended by the Zero Carbon Hub and endorsed by the government in May 2011?	
Yes 🛛		
No 🗌		
Please give reasons for your answer:		
We believe CLG should base the energy performance standards initially on the Zero Carbon Hub's task group recommendation, but should leave it open for amendments with the consideration of new data, such as the study highlighted in		

amendments with the consideration of new data, such as the study highlighted in our response to Question 2 below and no doubt further information from other sources.

Question 2	Do you have evidence, including data on costs, which you can make available to DCLG and could be used in reviewing the assumptions underpinning the Fabric Energy Efficiency and Carbon Compliance standards?

#### Comments:

There is evidence from a very recent September 2013 study by Element Energy and Davis Langdon (AECOM), commissioned by five Local Authorities, that reaching the higher levels of the Code for Sustainable Homes (and by extension Building Regulations Part L in some cases) is considerably more cost effective than previously suggested in oft-cited research from 2011. This includes fabric energy efficiency, which becomes easier to achieve as tighter Building Regulations become the norm. While this looks at the Code as a whole, fabric energy efficiency is the crucial consideration in terms of cost. For example, the cost of building to Code Level 5 has reduced by 55% in two years, while building to Level 6 has reduced by 40%. The study also suggests that the introduction of allowable solutions could significantly improve the technical and economic viability of achieving Level 6, which is equivalent to 'net-Zero Carbon'.

We would like to make CLG aware of this research; a summary can be accessed here: <u>http://bit.ly/1giTigl</u>. The full spreadsheet with data can be found as XLSX file EP/059a here: <u>http://bit.ly/18JoRfC</u>.

#### Chapter 2: Design principles for Allowable Solutions

Question 3	Do you agree with these design principles for Allowable Solutions set out in paragraph 2.4 (a to e) of the consultation document?	
Agree with all		
Disagree with		
a 🗌 b	c d e 0	
Please provid	de reasons why you disagree with any of the design principles	

Question 4	Are there other design principles which you think that the government should consider? Please provide an explanation for any other design principles suggested
Comments:	

Question 5	Do you agree that house builders should have a variety of routes,
	as set out in paragraph 2.7 of the consultation document, to meet
	their zero carbon homes obligations?

Yes 🖂

No 🗌

#### **Comments:**

Yes, **but** importantly this is a situation that is not without its complexities. On one hand, we agree that having a variety of routes opens up allowable solutions to innovation and competition, and allows for greater cost effectiveness among the other reasons set out in the design principles. In addition, some of the routes allow carbon emission reductions across the UK's wider building stock, which can only be positive given the fact that the existing housing stock is the biggest producer of carbon emissions in the built environment. On the other, having a variety of routes creates a situation where one zero carbon home is 'less zero' than another, and consumers would have little to no knowledge of this i.e. an occupant will buy and live in a zero carbon home that, depending on the route taken by the housebuilder, will fundamentally be less energy efficient than another. We feel that it is in the wider public interest for the building's relative performance depending on the route taken, and the effect it will have on costs to operate and maintain the building, to be effectively communicated to consumers by the housebuilder.

Question 6	Do you agree or disagree with any of the routes ( (i) to (iv) ) identified in paragraph 2.7 of the consultation document and do you have other routes to suggest.
Agree with a	
Disagree with	ר:
route (i) 🗌	route (ii) route (iii) route (iv)
In terms of re of a targeted buildings pre (and indeed	other route(s) and reasons: etrofitting existing buildings as outlined in route ii, this should consist campaign of specific energy efficiency improvements in local -selected by the local authority – this therefore targets the buildings occupants, i.e. the fuel poor) in greatest need and where the most rgy efficiency improvements can be carried out.

Question 7	(For house builders) How likely are you to use any of the routes identified in paragraph 2.7 of the consultation document?
	Please complete the table below

Route	Very likely	Occasionally	Unlikely
(i) Doing more onsite			
(ii) Delivering off-site through own actions			
(iii) Contracting with a third party			
(iv) Payment into a fund			
Please add any comme	nts about your	reasons.	

Question 8	Do you think the current market could scale up to meet additional demand for carbon abatement?
Yes 🗌	
No 🗌	
Comments:	

### Chapter 3: Other delivery options considered

Question 9	Do you agree that the government should set out a national policy framework for Allowable Solutions and not leave it to local authorities to decide locally?		
Yes 🗆			
No 🗌			
Please give reasons for your answer.			

Question 10	Do you agree that a mandated local approach to the delivery Allowable Solutions has no role in this national policy for the reasons set out in paragraphs 3.13 to 3.18 of the consultation document?		
Yes 🗆			
No 🗌			
Please give reasons for your answer.			

# Chapter 4: Allowable Solutions measures and verification

Question 11	Should Allowable Solutions be concentrated on particular types of measure?
Yes 🗌	
No 🗌	
Please give re	asons for your answer
Question 12	Do you think that Allowable Solutions should be confined to only to measures in the non traded sector of the economy?
Yes 🗌	
No 🗌	
Please give reasons for your ensuer	

Please	give	reasons	TOP	your	answer	

Question 13	Should measures in the traded sector be supported by Allowable Solutions, provided that they meet the appropriate criteria?	
Yes 🗌		
No 🗌		
Please give reasons for your answer		

Question 14	Do you think that Allowable Solutions should be confined to measures in the built environment?	
Yes 🖂		
No 🗌		
Please give reasons for your answer		

Question 15	Do you think that measures should just be confined to residential buildings or should also cover non domestic buildings?		
Residential bui	Idings only		
Residential and	non domestic buildings 🛛		
Please give reasons for your answer Reducing carbon emissions in the wider building stock is important, and so should not be singly restricted to the domestic sector.			
Question 16	Do you think that there should be any spatial limitations on		
Allowable Solutions?			
Yes 🗌			
No 🗌	No 🗌		
Please give reasons for your answer			

#### e reasons for your answer Pleas

We believe there should be encouragement to invest in a local area, through the current coalition's localism priorities, but recognise that cost effectiveness dictates that some allowable solutions will be UK-wide.

If yes, do you think that Allowable Solutions should be limited to projects located in:

the locality of the development  $\Box$ (a)

England (b)

Pleas	Please give reasons for your answer.	
(c)	United Kingdom	

Question 17	Do you consider that the five criteria set out in paragraph 4.17 of the consultation document are appropriate to determine Allowable Solutions' measures?
Yes 🖂	
No 🗌	

#### Please give reasons for your answer

Question 18	Are there other criteria you consider should be used?	
Yes 🗌		
No 🗌		
Please give reasons for your answer		

Question 19	Do you have evidence that you are willing to share with DCLG about the likely supply of Allowable Solutions' measures?
Comments:	

Question 20	Do you agree that the verification system for Allowable Solutions should include arrangements for deeming savings as a form of ex ante verification?	
Yes 🗌		
No 🗌		
Please give reasons for your answer		

Question 21	Do you have views on how such a system might best operate?
Comments:	

Question 22	Do you agree that the verification system for Allowable Solutions should include arrangements for ex post verification?	
Yes 🗌		
No 🗌		
Please give reasons for your answer		

Question 23	Do you have views on how such a system might best operate to provide the best balance of assurance while avoiding overly burdensome reporting and monitoring processes?
Comments:	

Question 24	Should there be sanctions for non delivery of the expected carbon savings for Allowable Solutions' measures?	
Yes 🗌		
No 🗌		
If Yes, how should those sanctions operate?		

### Chapter 5: Price cap

Question 25	Please provide your view on whether the government should:	
	(a) allow the market to set its own price? Or	
	(b) set a single fixed price? Or	
	(c) set a ceiling price but enabling Allowable Solutions to be brought forward at lower prices? Or	
	(d) set a floor price for Allowable Solutions?	
	(tick one box above only)	
Comments:		

Question 26	Which price do you think should be adopted and why?			
	low 🗌	central	high	
Comments:				

Question 27	What impact do you think the different price caps will have on the extent to which Allowable Solutions projects will be brought forward?
Comments:	

Question 28	What impact do you consider the different price caps will have on the viability of house building and would the impact differ in different parts of England?
Comments:	

Question 29	Is 3 years an appropriate interval to review the price cap?	
Yes 🗌		
No 🗌		
If no, how often do you think it should be reviewed?		

Question 30	Should Allowable Solutions cover 30 years of residual emissions?	
Yes 🗌		
No 🗌	No 🗌	
If no, how often do you think it should be reviewed?		

Question 31	Do you think the calculation of the carbon abatement required should take account of the expected and actual decarbonisation of the electricity grid?
Yes 🗌	
No 🗌	
Please give reasons for your answer	

#### Chapter 6: Allowable Solutions delivery routes

Question 32	Do you agree that route (i) of the house builder 'menu' can be accommodated within current Building Regulations compliance processes?
Yes 🖂	
No 🗌	
Please give reasons for your answer	

Question 33	What kinds of Allowable Solutions measures undertaken under route (ii) of the house builder 'menu' do you consider could be accommodated within current Building Regulations compliance processes?
Comments:	

Question 34	Do you think that house builders should be able to enter into a direct transaction with third parties, including local authorities, to deliver Allowable Solutions?
Yes 🛛	
No 🗌	
Please give reasons for your answer	

Question 35	How might that approach operate?
Comments:	

Question 36	Do you have any evidence of how such a system might work which could be drawn upon in developing such an arrangement?
Comments:	

Question 37	Do you agree that provision of a matching service should be considered?
Yes 🗌	
No 🗌	
Please give reasons for your answer:	

Question 38	Do you have views on how such a system might work to assist house builders?
Comments:	

Question 39	Do you have any evidence of existing matching services which could be drawn on in developing such an arrangement?
Comments:	

Question 40	Do you agree that provision of a brokerage service should be considered?
Yes 🗌	
No 🗌	
Please give reasons for your answer	

Question 41	Do you have views on how such a system might work to assist house builders?
Comments:	

Question 42	Do you have any evidence of existing brokerage services which could be drawn on in developing such an arrangement?
Comments:	

Question 43	Do you agree that provision of a fund approach should be considered?
Yes 🗌	
No 🗌	
Please give reasons for your answer:	

Question 44	Do you have views on how such a system might work to assist house builders?
Comments:	

Question 45	Do you have any evidence of existing funds which could be drawn on in developing such an arrangement?
Comments:	

Question 46	If invested in a fund, Allowable Solutions payment capital and profits can both be reinvested on a revolving fund basis to increase long- term potential carbon savings. However, commercial returns and/or capital could be given back to house builders rather than reinvested, but this would mean less carbon being abated and hence a higher upfront investment would be required to meet the house builder's zero carbon homes obligation. Is there any interest from house builders in investing into a fund which abates carbon and also makes a return rather than making a smaller one-off payment?
Yes 🗌	
No 🗌	
Comments:	

Question 47	What are your views on the assessment of the delivery options set out in the table below paragraph 6.19 of the consultation document?
Comments:	

Question 48	Are there other considerations which government should be taking into account?	
Comments:		

Question 49	In the light of this analysis what is your preferred delivery route?	
	house builder DIY	
	bilateral	
	matching / brokerage	
	fund	
	(tick one box above only)	
Please provide	e reasons for your answer	

#### Chapter 7: Next steps

Question 50	What do you think an appropriate familiarisation period might be for industry and appropriate transition arrangements for Allowable Solutions?
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#### Please provide reasons for your answer.

As this change is different from normal Building Regulation transitions, we believe a familiarisation period of a year would be appropriate.

Question 51	A development stage impact assessment accompanies this consultation document. Do you have any views on the analysis, costs and benefits presented in that impact assessment? Can you provide any additional evidence to inform the further development of the impact assessment?
Comments:	