

We welcome the opportunity to feedback some of our learning on the delivery of solid wall insulation to date. As indicated below, we are striving to achieve innovative but required solutions to some of the complexities involved in delivering this extensive retrofit solution. We hope the following provides an insight into some of the solutions we have adopted whilst highlighting the areas of concern we still have.

Annex A

Information and views are requested from organisations with an interest in the SWI sector on the following topics:

1. Accepting that the ECO and Green Deal are in the early stages of implementation, what, if any activity on installing solid wall insulation (EWI, IWI and hybrid) has your organisation undertaken already? This could be installations already under way, work to develop supply chains, or work to generate demand.

The Centre for Sustainable Energy has been involved in a number of projects in which the installation of solid wall insulation (SWI) has been a core objective. Perhaps the most relevant of these was the Bristol Home Energy Upgrade and the final report has been published on our website (www.cse.org.uk/bheu). Through this project regular meetings were attended to develop the local supply chain and enhance the legacy of the scheme across the city.

In addition to this we have recently launched the Energy@Home Starter in conjunction with Bath & North East Somerset Council (B&NES). This is a CSCO and HHCRO scheme that has a SWI offer (which includes supplementary council funding to make a more viable customer offer).

A promotional mail out is currently in progress for this scheme. Through this we mapped the area and identified the solid walled properties, so a tailored message is being delivered to residents explaining the benefits of SWI at their property. CSE will also be attending an event alongside our partners to engage with the local supply chain and the scheme opportunity.

2. To what extent is your organisation taking advantage of the new Green Deal market to bring together joint-funding with ECO? What plans do you have to offer blended finance? What barriers or constraints are there 'on the ground' to combining finance streams? What impact would "blending" have on delivery costs?

We are exploring the opportunities of this joint funding approach. Initially this means conducting a feasibility study into the liabilities/expected up-take/opportunities associated with delivery. This involves matching up our newly acquired GDP status with our current delivery of ECO.

This feasibility study will define the barriers and constraints, but delivery of Green Deal and ECO are very different and complex delivery mechanisms so we expect this to consider:

- Capacity and required specialist skillset – ensuring we are focusing on key delivery objectives with the resource capacity we have. Within this context it is important to have a clear offer which can be delivered rather than detrimentally diversifying by trying to offer ‘everything.’
 - Impact of additional workload required for a Green Deal & ECO customer as opposed to an ECO only customer. How is the management of this additional workload funded?
 - In terms of a business model approach to the impact of ‘blending’ on delivery costs, the ECO and Green Deal delivery feasibility need to be assessed separately. Customer choice will define the offer (whether they want Green Deal and/or ECO) so it would be difficult to blend the cost of delivery across these separate strands in a consistent and coherent way. This is magnified by the fact that both markets are new and challenging without the relevant evidence bases and experience to effectively and confidently model a ‘blended’ approach.
3. Is your organisation aware of, or involved in developing innovative approaches to the delivery of solid wall insulation? This could be work to generate demand, delivery, or new products.

The scheme model we are using is innovative in the way it’s delivering ECO (and SWI) to customers. It is a scheme aimed at tackling one-off SWI installations. This allows tailored solutions for individual properties in line with what customers want and need. There is flexibility within the model for different systems, approaches and installers to best suit the needs of each installation. We feel this is a key area in scaling up the market, increasing expertise and knowledge in the supply chain and giving customers confidence in the long term objectives of scheme delivery and the installation itself.

4. What more could industry and government do together to help to drive demand for SWI and reduce costs for consumers?

Hybrid wall insulation

Hybrid wall insulation is a key area where there is customer demand but no solution through ECO. Hybrid wall insulation is accredited separately under Annex N of PAS 2030 but it is not defined how this should be scored through ECO and if it will be eligible.

1. Hybrid wall insulation should be defined as an ECO compliant measure where the EPC recommends internal or external solid wall insulation and the customer wants a hybrid solution.
2. Guidance on correctly scoring the ECO associated with this improvement is required. For example, are internal and external wall insulation scored separately as primary and secondary measures? If this is the case further explanation will be required as to how this fits with proportional improvement requirements.

Previous consultation response

In addition to this, our previous consultation response to ‘how to account for the

percentage of measure installed when calculating ECO scores' is still applicable. This considers; the impact on delivery of binding together the assessment, installation and scoring; the inherent limitations of SAP and rdSAP. This can be viewed by following the link below:

http://www.cse.org.uk/downloads/file/consultation_on_ECO_scoring-CSE_response.pdf

Further information

- The implementation of the new requirements for proportional improvements serves as a good example of a lack of clarity around the associated delivery requirements for this type of amendment. Specifically, what are the reporting and compliance requirements and exactly what information/evidence is needed to score a proportional improvement? To date this is restricting our ability to have a customer offer for proportional SWI installations. We are only able to offer ECO where the customer is applying SWI to 100% of the properties external walls because there is unacceptable liability associated with an alternative offer. This has a direct impact on customer take-up.
- Without the above clarity, numerous organisations will be trying to find suitable solutions. This isn't a cost effective way to deliver.
- Advice is a key area. Providing access to impartial advice for customers about local schemes and offers.
- Delivery of SWI will be impacted by large scale schemes but is also reliant on multiple smaller scale, local delivery routes and ease of customer journey. To this end SME installer and managing agent access to ECO (in the context of SWI) requires a more customer and delivery focussed approach that isn't sidelined (as is our concern highlighted in the above consultation response).

5. What more could industry and government do together to help to drive the availability of blended finance packages and reduce costs for consumers?

A possible area of exploration is consideration of the existing compliance requirements to enable implementation of a coherent reporting/submission procedure for ECO and Green Deal. The key to this is avoiding duplication of procedure (where ECO and Green Deal are being applied to a customer) if there are already robust compliance requirements in place.

6. What is your assessment of the state of readiness of the supply chain to deliver at higher volumes than present, for example, at the range of supply levels set out in the Impact Assessment published in 2012 (page 107, 100,000 to 230,000 installations per year from 2014 and 2015) ? Has this changed since the CESP programme?

Our comments relate to delivery from a one-off retrofit perspective (which is a key point of difference between CESP and Green Deal and ECO). The feedback to question 5 above is also valid here:

'Delivery of SWI will be impacted by large scale schemes but is also reliant on multiple smaller scale, local delivery routes and ease of customer journey. To this end SME installer and managing agent access to ECO (in the context of SWI) requires a more customer and delivery focussed approach that isn't sidelined (as is our concern highlighted in the above consultation response).'

SME installers need to have access to the opportunity of SWI installation (to scale up current activity or add to their existing business model). At the moment this access isn't widespread because there are so many complexities with delivery requirements. A massive impact on SME installer involvement will be the financial and cash flow implications of delivering ECO (either blended with Green Deal or not). The liability and risk associated with the delivery requirements and payment terms are restrictive and counter-productive to engagement and involvement.