



22nd February 2019

RE: Ongoing concerns about the ECO3 Framework

Dear BEIS / OFGEM,

We are writing on behalf of the industry to express our considerable and growing concern about how the ECO3 framework is functioning. While we are not a trade body, the absence of a functioning trade body and market has left us with few options but to put forward the views and feedback of our industry in the hope that we can work constructively to identify swift modifications to the ECO3 framework. Although Energystore are one of the main suppliers of cavity wall insulation products, this letter is not an attempt to represent the cavity wall industry but the energy efficiency industry as a whole.

The contributions of 22 energy efficiency companies in recent weeks highlight the significant, negative impact the ECO3 framework has had on the companies operating in this market and the vulnerable families in fuel poverty we are trying to help. There is no denying the financial, social and health benefits energy efficiency measures bring to families that receive an upgrade under ECO programmes. Yet, without urgent change to the market, we feel the future of companies operating in this market and their employees are at risk. The feedback we have collated shows:

1. Only 14,492 Cavity wall guarantees raised since the start of ECO3 (to the end of Jan 19). Of the 14,492 guarantees raised, 6,119 (42%) were raised in October when most guarantees would have been raised against work done under ECO2t. Only 8,373 guarantees were raised in the past 3 months; during the key winter season for installation companies and those living in fuel poverty. Comparing the number of guarantees raised in the last 3 months against the Impact Assessment (IA) estimate we are doing 24% of the volume of work required to meet the IA uptake.
2. At least 5 companies have gone in to administration so far, including Acrobat Energy Services who we believe have outstanding debts to energy efficiency installers in excess of £2m and were owed c£1.2m by energy suppliers. There is no doubt that Acrobat's demise will push many others closer to a similar fate. Conservative estimates indicate that 3,000 - 5,000 jobs have already been lost from the industry in the last three months (many of these in the lead up to Christmas). While the UK may be seeing record employment figures, the jobs being lost in this industry are generally lower skilled and in economically deprived parts of the country.

It is clear from the responses we have received that the ECO3 framework is causing considerable difficulties for the industry with many fearing they won't survive another 6 months without quick action being taken. There is money committed to this industry by

the UK Government but, the current administration of the ECO3 framework prevents it from being spent. The responses received have identified 5 tangible, constructive proposals to make alterations to ECO3 which we believe if adopted, will allow the market to function more effectively. The 5 proposals are set out below:

1. Increase the income threshold for Child Benefit

The table set out below proposes alterations to the income thresholds that would greatly increase the number of homes and families who would be eligible to receive support.

Type of Claim	1 Child	2 or more Children
Single Claim	No Threshold	No Threshold
Member of a couple	£42,000	£50,000

Table 1 Proposed Income threshold limits for Child Benefit qualification

Rationale for the increased threshold limits is as follows:

1. National Living Wage is increasing from April 2019

The National Living Wage is increasing from £7.50 per hour to £7.83 per hour from 1st April 2019, representing an increase of 4.4%. This could be reflected upon and applied to existing threshold limits.

2. Private rental prices are increasing

As this scheme is largely focused on those people in private accommodation (due to exclusion of social housing other than E, F or G rated properties), consideration of the costs to live in rented accommodation are now at an average of £505 per month¹ across the UK.

3. Cost of raising children is significantly higher than consideration in the Thresholds set

The Child Poverty Action Group (CPAG) annual report 'The Cost of a Child in 2018'² highlights the financial cost of raising children in the UK. There is a wealth of evidence within this report, but, several key statistics are outlined here:

- i) A single parent working full time on **median wage** only covers 85% of the cost of raising a child. The cost of raising a child is also significantly greater for a lone parent; £183,335 cost to raise a child to 18 for a single parent compared to £150,753 for a couple. By installing energy efficiency measures within these homes, we can help to reduce the overall financial strain on raising a child as a lone parent. **As a result of this stark finding, we have proposed removing the income threshold entirely for single parent families.**

¹ ONS Index of Private Housing Rental Prices UK; January 2019

² http://cpag.org.uk/sites/default/files/uploads/CostofaChild2018_web.pdf

By simplifying the scheme through this proposal, we also believe the cost of compliance will be reduced for measures installed in single parent homes.

- ii) The CPAG report shows that a couple on **median wages** can cover 110% of the cost of raising a child. In the UK, median wages are currently £28,677 per individual³. Two individuals on the median wage level would earn significantly above the income threshold cap under ECO3 yet would only be able to meet 110% of the cost of raising a child. In reality, a significant number of people in fuel poverty earn below the median wage level. Therefore, based on the CPAG research, they would be struggling to earn enough income to cover the cost of raising one child.

The CPAG report also shows the cost of raising additional children. While the cost of each child reduces due to economies of scale, the reduction in cost is slight. As a result, the report highlights that each additional child costs a further £8,000+ per annum.

In addition to the financial cost of raising a child, it is worth highlighting the structure of the child benefit; with the benefit being reduced for families where an individual earns more than £50,000 a year.

The rationale of our proposal in Table 1 above is based on the consideration of **capping the threshold at £50,000 where a couple have a family with 2 or more** children and a threshold set £8,000 below this for a couple with a single child family, reflecting the incremental cost of c£8,000 per annum for additional children.

2. Introduce a mid-terrace incentive

Mid-terrace properties have been neglected under successive energy efficiency schemes for many years despite mid-terrace properties making up 28%⁴ of the housing stock. There are undoubtedly a large number of families in fuel poverty living in these properties but the current LTS deemed scores methodology doesn't cover the cost of installing energy efficiency measures to these properties. **We believe a £250 grant top-up or an equivalent increase in LTS to incentivise installations** of fabric first measures to these property types would dramatically improve the amount of families supported.

It is also worth highlighting that families living in mid terrace properties will be more vulnerable to the impacts of living in cold, damp homes; research shows that the likelihood of damp / mould is directly correlated to the amount of living space per person living in the property. We would like to remind you that mould is classified as the same health risk as asbestos by the World Health Organisation. These additional

³ Annual Survey of Hours and Earnings: 2017 provisional and 2016 revised results - <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2017provisionaland2016revisedresults#main-points>

⁴ English Housing Survey 2015

considerations lead us to believe that the social and health benefits of installing mid-terrace properties are disproportionately higher compared to other property types. Social impact has been cited as justification for giving heating systems an inflated LTS score (300% greater than the bill savings associated with this measure) for many years so there is precedent allowing a social benefit uplift for fabric first measures to this property type.

3. Change structure of age-related eligibility in the Help to Heat Group

Feedback from our network highlights that a significant number of elderly people, who are commonly acknowledged as being more vulnerable to the effects of living in a cold home are not eligible under ECO3. We have seen many examples such as Case Study 1 where older members of the community do not qualify as eligible because they do not receive Pension Guarantee Credit. It is saddening and concerning to see elderly people living in one room because they can't afford to heat their homes but, this is a reality under the current framework.

Pension Guarantee Credit (PGC) highlights elderly individuals or couples that receive a pension of less than £163 per week (single person) or £248.80 per week (couples). This benefit criteria restricts eligibility to pensioners receiving £8,476 per year (single person) or £12,937.60 per year (couples). Yet, the average cost of living for pensioners in the UK is quantified at £10,830 per year according to annual research by Key Retirement on ONS data. The PGC restriction limits the eligibility criteria significantly below the cost of living for pensioners, preventing vulnerable people from receiving support.

It is also worth noting that OFGEM ECO3 LA eligibility guidance references being aged 70 or above as evidence of being vulnerable and therefore eligible for support via an LA Flex scheme⁵. It is contradictory to allow one section of the framework to target vulnerable households purely on an age-based principle and another section to cap the age-related eligibility with a financial means test. The difference between the two approaches is leading to vulnerable households that would really benefit from energy efficiency upgrades being restricted from financial support under ECO3. To ensure older people who are more vulnerable to the cold receive support, **we propose that the age-related eligibility criteria is altered to be solely linked to whether the household can evidence they are old enough to be eligible for state pension.**

4. Treat homes in deprived areas not families that qualify

The vast majority of homes in fuel poverty will be in regions that have historically low-income levels or are economically deprived. Families will move in and out of homes, but the fact is a house in an economically deprived area is highly likely to be consistently lived in by families in fuel poverty. We should be targeting homes in these areas, not people. Surveyors know the areas they work in and are unlikely to regularly go back to properties that they have previously been to after one family moves out

⁵ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/776540/energy-company-obligation-3-LA-flexible-eligibility-guidance_.pdf

and another moves in. As a result, an unintended consequence of the scheme is that families in fuel poverty could be unfairly penalised for moving home. In addition, there is guidance to Local Authorities ⁶ stating that their declarations are valid for a period of 18 months, with no requirement to 'reassess properties if there was a change of tenancy'. The guidance to LA's contradicts the restrictions placed on the Help to Heat group eligibility criteria but, provides precedent for installing energy efficiency measures in low income and vulnerable areas of the country.

We believe that allowing installs where properties are in economically deprived areas as defined by the Index of Multiple Deprivation in England, Scotland & Wales would significantly reduce the search cost and ensure homes that fuel poor people are more likely to live in are targeted. It would also streamline the end to end performance of the industry and reduce costs and challenges associated with GDPR. **We propose post codes in the two worst deciles of the relevant countries' Index of Multiple Deprivation automatically be included as an eligibility group within the Help to Heat Group.** We have enclosed a table of the relevant LSOA areas in each country that we would propose be included going forward.

5. Conduct proper consultation on PAS2030:2019 & PAS2035

To date, energy efficiency installation companies have not been consulted on proposals to implement PAS2030 changes or the introduction of PAS2035. The costs of compliance are already a significant part of the delivery cost (18% - see Appendix 1), reducing value for money under the scheme. The overwhelming feedback from our network is that they have not been involved in the discussion and are unaware of the proposed changes to be implemented.

There is a growing concern within the industry that proposals on compliance are being significantly influenced by the companies that are most likely to benefit from increased compliance services such as technical monitoring agencies and certification scheme providers. The industry is in a difficult place financially due to the slow transition from a functioning ECO2t market to an ECO3 market which is delivering significantly reduced volumes and is yet to get going.

Any changes to compliance / monitoring requirements should be implemented in a measured way once the companies most affected by any changes, the energy efficiency installation companies, have been involved in consultation. **We would recommend that any proposed changes are consulted upon for several months with a subsequent minimum 9 – 12 month period to allow any required changes to be made.**

While the content set out above is not ECO measure specific, we feel it is necessary to raise concerns about the treatment of partial fill under ECO3 over recent weeks. There have been several abrupt changes to the partial fill cwi measure that have damaged the industry and subsequently undermined confidence in funding this

⁶ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/776540/energy-company-obligation-3-LA-flexible-eligibility-guidance_.pdf

measure in the interim. We would like to raise several points regarding this measure as follows:

1. Any changes to the ECO framework should be as a result of consultation

Our network were surprised and frustrated with the speed and manner in which changes were made and then reversed regarding to partial fill CWI. Consultation is a vital part of the ECO framework and the process followed with regard to partial fill CWI by OFGEM should be prevented from happening again. Many CWI installation companies lost large sums of money due to the impact of the approach taken.

The lack of consultation directly contradicts the Consultation Policy stated on your website. Based on the content of OFGEM Consultation Policy, this issue is 'an issue with narrower impact and of more specific interest' which requires an eight week consultation period. At the time of writing, we don't believe there is currently a consultation open on this issue.

2. Input to this matter should be provided by Product System Designers and Academics

Our network has seen a large amount of correspondence between technical monitoring agencies and energy suppliers / OFGEM about partial fill CWI. It is without question that these organisations have the most to gain as a result of raising questions of validity of this measure. The conversation seems to be questioning the validity of this measure and pushing for further compliance. As a system designer, I have to express particular frustration at this line of discussion being acted upon without being asked to comment on the validity of our product.

Our product, along with many other CWI products was thoroughly tested by the BBA (among others) prior to receiving approval as a valid methodology for the install of our products several years ago. I'm sure any discussion with CWI system designers could lead to this information being shared confidentially. Discussion of the validity of this measure without input from CWI system designers will lead to a one-sided discussion that ignores input from those most qualified to comment on this element of the discussion. We have a considerable amount of evidence from both academic and 'in the field' sources we would welcome the chance to share.

3. Considering the methodology for potential Re-scoring the deemed score

Our network has also been made aware of correspondence claiming that the measure will be significantly downgraded to the point that it is no longer a viable measure. Further comments claim that the measure needs to be changed as the ECO3 deemed score methodology does not take partial fill into consideration. Firstly, without consultation this feedback should not be in circulation as it is damaging and questions the integrity of a consultation process.

Further, we believe that the deemed scores methodology document⁷ which the CWI measure is based on already takes partial fill CWI installations into consideration within the weighted average. Table 7 (page 11) of the methodology document states the following assumptions:

Year of Construction	Uninsulated U-value (W/m ² K)	Insulated U-value (W/m ² K)	Weighting
(1) Pre 1976	1.435	0.478	73%
(2) 1976 – 83	1.003	0.417	13%
(3) Post 1983	0.694	0.343	15%

A partial fill top-up is only performed in a property that already has a board-based insulant in the cavity. This is reflected in the lower uninsulated u-value scores given to properties from 1976 onwards. The term ‘uninsulated’ is misleading as insulation started to be installed from the early 80s. As a result, the methodology already applies a weighting to the overall deemed score that takes account of the scoring of partial fill top-up measures.

It is clear that the methodology created by BRE already takes account of partial fill CWI in the scores that have been published and are in-use within ECO3. This has the effect of reducing the overall deemed score for CWI measures. If the partial fill measure was to be scored separately, it would go against the principles of the deemed score methodology, increasing already high compliance costs and challenge the pragmatic deemed score approach that has been implemented effectively since the start of ECO2t.

We sincerely hope that you find the content of this letter helpful and constructive for that is the intention of our efforts. The current ECO3 framework is taking time to function effectively but, we support the over-riding principles of a fabric-first, fuel poverty scheme that BEIS have set and OFGEM are attempting to deliver. We strongly believe that the suggestions outlined in this document are balanced, possible to implement quickly and will have a positive impact on the financial health of both the fuel poor and the energy efficiency industry. If you wish to seek clarification on any of the information provided within this letter, please do not hesitate to contact me.

Yours Sincerely,



⁷ https://www.ofgem.gov.uk/system/files/docs/2018/04/eco3_deemed_scores_methodology_document.pdf

Connor McCandless
Director

Appendix 1

Property Type	CWI revenue @ current rates	Search Cost	Install Cost	Compliance Cost	Gross Margin
2W Flat 1	£357.59	£126.32	£226.38	£163.20	-£158.31
2W Flat 2	£440.75	£155.69	£226.38	£163.20	-£104.53
2W Flat 3+	£507.10	£179.13	£252.21	£163.20	-£87.44
2W Maisonette 2-	£742.38	£262.24	£278.03	£163.20	£38.91
2W Maisonette 3+	£875.78	£309.37	£303.85	£163.20	£99.36
3W Flat 1	£567.05	£200.31	£252.21	£163.20	-£48.67
3W Flat 2	£698.72	£246.82	£278.03	£163.20	£10.67
3W Flat 3+	£806.65	£284.95	£303.85	£163.20	£54.65
3W Maisonette 2-	£1,121.45	£396.15	£432.96	£163.20	£129.14
3W Maisonette 3+	£1,325.02	£468.06	£458.78	£163.20	£234.98
Bung Det 2-	£924.12	£326.44	£432.96	£163.20	£1.51
Bung Det 3+	£1,184.34	£418.36	£458.78	£163.20	£143.99
Bung Mid 1	£246.71	£87.15	£174.74	£163.20	-£178.38
Bung Mid 2	£287.25	£101.47	£174.74	£163.20	-£152.16
Bung Mid 3+	£351.52	£124.17	£200.56	£163.20	-£136.41
Bung Semi/End 1	£443.87	£156.79	£303.85	£163.20	-£179.98
Bung Semi/End 2	£511.95	£180.85	£329.67	£163.20	-£161.76
Bung Semi/End 3+	£626.65	£221.36	£355.49	£163.20	-£113.41
Det 2-	£1,550.76	£547.80	£613.72	£163.20	£226.04
Det 3	£1,678.97	£593.09	£665.36	£163.20	£257.32
Det 4	£1,965.00	£694.13	£768.65	£163.20	£339.02
Det 5	£2,515.59	£888.62	£975.22	£163.20	£488.54
Det 6+	£3,210.15	£1,133.97	£1,130.16	£163.20	£782.82
End-terrace 1	£806.83	£285.01	£381.32	£163.20	-£22.70
End-terrace 2	£943.17	£333.17	£432.96	£163.20	£13.84
End-terrace 3	£1,078.65	£381.03	£458.78	£163.20	£75.64
End-terrace 4	£1,407.83	£497.31	£562.07	£163.20	£185.25
End-terrace 5+	£1,808.73	£638.93	£613.72	£163.20	£392.89
Mid-terrace 1	£388.08	£137.09	£208.29	£163.20	-£120.49
Mid-terrace 2	£456.69	£161.32	£258.72	£163.20	-£126.55
Mid-terrace 3	£525.64	£185.68	£275.53	£163.20	-£98.77

Mid-terrace 4	£695.77	£245.78	£325.95	£163.20	-£39.16
Mid-terrace 5+	£894.84	£316.10	£359.57	£163.20	£55.97
Semi 2-	£895.18	£316.22	£407.14	£163.20	£8.62
Semi 3	£994.11	£351.17	£432.96	£163.20	£46.78
Semi 4	£1,301.63	£459.80	£458.78	£163.20	£219.85
Semi 5+	£1,707.73	£603.25	£587.89	£163.20	£353.38
	Cost mix %	39%	46%	18%	

This appendix sets out the current revenue & cost the industry experiences for CWI measures to gas properties based on information provided from our network. As you can see very few property types are commercially viable regardless of whether the resident is in fuel poverty or not. There are some interesting observations that can be derived from this information:

1. Rates paid to installation companies would need to increase by ~40% to make each measure viable and allow all residents in fuel poverty to receive measures (assuming the current methodology / framework was maintained).
2. Installation cost is only 46% of the total cost to do a job, with compliance costs at 18%. The compliance costs above only include direct compliance costs, ignoring the overall certification / accreditation costs that a company is required to pay to be eligible to operate in the ECO market. The compliance costs per job are undoubtedly going to increase both directly and indirectly under current proposals to introduce Trust Mark / PAS2035. Without being involved in discussion or consultation on the proposed regulatory changes it is difficult for us to comment on increased costs per job of the compliance changes. However, from experience we anticipate a minimum £30 / job increase in direct compliance costs if further changes are brought in.

We are operating under a framework that generates 54% (search costs & compliance costs) of the direct costs associated with completing an install. There is very limited scope to reduce the direct install costs as the main drivers of cost are material costs, wage rates and fuel costs. These are to a large extent outside of the control of installation companies. It is difficult to claim that the current framework provides an efficient, value for money approach when assessing the information provided above.

We believe that the proposals put forward in the main body of this letter would help to reduce the search costs associated with installing energy efficiency measures. Based on the high cost of compliance and likely increases under PAS 2030 / PAS 2035 changes it is also perhaps time that we reflected on what we are trying to achieve. We believe a thorough review including representatives from all parties could help lead to a more collaborative, robust framework that delivers higher standards and improved customer experiences and a more efficient cost point.

3. This analysis **excludes** the indirect costs businesses face including costs associated with property, certification / compliance, management of IT systems required for ECO and insurance costs.

While the information provided is based on costs associated with cwi installs, the feedback from companies who provided input to this letter is that other measures are experiencing similar restrictions on potential jobs due to the high costs associated with operating in the ECO3 framework.

Appendix 2 – Case study examples

Set out below are several case study examples of individuals living in fuel poverty / energy inefficient houses that do not qualify for support under the current criteria.

Case study 1 – A single pensioner

Energy Performance Certificate (EPC)
Scotland

Dwellings

Dwelling type: Detached house!!

Date of assessment:

Date of certificate:

Total floor area: 226 m²

Primary Energy Indicator: 467 kWh/m²/year

Reference number:

Type of assessment: IRdSAP, existing dwelling

Approved Organisation: Elmhurst

Main heating and fuel: Boiler and radiators, mains gas

You can use this document to:

- Compare current ratings of properties to see which are more energy efficient and environmentally friendly
- Find out how to save energy and money and also reduce CO₂ emissions by improving your home

Estimated energy costs for your home for 3 years*

Over 3 years you could save*

£11,751

£6,192

See your recommendations report for more information

* based upon the cost of energy for heating, hot water, lighting and ventilation, calculated using standard assumptions

Very energy efficient - lower running costs

Energy Efficiency Rating

This graph shows the current efficiency of your home, taking into account both energy efficiency and fuel costs. The higher this rating, the lower your fuel bills are likely to be.

Your current rating is band F (38). The average rating for EPCs in Scotland is band D (61).

The potential rating shows the effect of undertaking all of the improvement measures listed within your recommendations report.

Very environmentally friendly - lower CO₂ emissions

Environmental Impact (CO₂) Rating

This graph shows the effect of your home on the environment in terms of carbon dioxide (CO₂) emissions. The higher the rating, the less impact it has on the environment.

Your current rating is band F (25). The average rating for EPCs in Scotland is band D (59).

The potential rating shows the effect of undertaking all of the improvement measures listed within your recommendations report.

Top actions you can take to save money and make your home more efficient

Recommended measures	Indicative cost	Typical savings over 3 years
1 Cavity wall insulation	£500 - £1,500	£1545.00
2 Floor insulation (suspended floor)	£800 - £1,200	£609.00
3 Increase hot water cylinder insulation	£15 - £30	£126.00

A full list of recommended improvement measures for your home, together with more information on potential cost and savings and advice to help you carry out improvements can be found in your recommendations report.

To find out more about the recommended measures and other actions you could take today to stop wasting energy and money, visit www.greenscotland.org or contact Home Energy Scotland on 0808 808 2282

THIS PAGE IS THE ENERGY PERFORMANCE CERTIFICATE WHICH MUST BE AFFIXED TO THE DWELLING AND NOT BE REMOVED UNLESS IT IS REPLACED WITH AN UPDATED CERTIFICATE

Recommendations Report

Estimated energy costs for this home

	Current energy costs	Potential energy costs	Potential future savings
Heating	£10,173 over 3 years	£4,800 over 3 years	<div style="background-color: #2e8b57; color: white; padding: 10px; width: 50px; margin: 0 auto;"> <p>You could save £6,192 over 3 years</p> </div>
Hot water	£1,017 over 3 years	£402 over 3 years	
Lighting	£561 over 3 years	£297 over 3 years	
Totals	£11,751	£5,559	

These figures show how much the average household would spend in this property for heating, lighting and hot water. This excludes energy use for running appliances such as TVs, computers and cookers, and the benefits of any electricity generated by this home (for example, from photovoltaic panels). The potential savings in energy costs show the effect of undertaking all of the recommended measures listed below.

Recommendations for improvement

The measures below will improve the energy and environmental performance of this dwelling. The performance ratings after improvements listed below are cumulative; that is, they assume the improvements have been installed in the order that they appear in the table. Further information about the recommended measures and other simple actions to take today to save money is available from the Home Energy Scotland hotline which can be contacted on 0808 808 2282. Before carrying out work, make sure that the appropriate permissions are obtained, where necessary. This may include permission from a landlord (if you are a tenant) or the need to get a Building Warrant for certain types of work.

Recommended measures	Indicative cost	Typical saving per year	Rating after improvement	
			Energy	Environment
1 Cavity wall insulation	£500 - £1,500	£515	E 46	F 32
2 Floor insulation (suspended floor)	£800 - £1,200	£233	E 50	F 36
3 Increase hot water cylinder insulation	£15 - £30	£42	E 51	F 36
4 Draughtproofing	£80 - £120	£167	E 53	F 38
5 Low energy lighting for all fixed outlets	£75	£68	E 54	E 39
6 Hot water cylinder thermostat	£200 - £400	£193	D 57	E 41
7 Upgrade heating controls	£350 - £450	£124	D 59	E 44
8 Replace boiler with new condensing boiler	£2,200 - £3,000	£550	D 63	E 53
9 Replace single glazed windows with low-E double glazed windows	£3,300 - £6,500	£173	C 70	D 57
10 Solar photovoltaic panels, 2.5 kWp	£5,000 - £8,000	£246	C 75	D 62

Alternative measures
There are alternative improvement measures which you could also consider for your home. It would be advisable to seek further advice and illustration of the benefits and costs of such measures.

- External insulation with cavity wall insulation
- Biomass boiler (Exempted Appliance if in Smoke Control Area)
- Air or ground source heat pump
- Micro CHP

The pensioner living in this home (EPC F) still lives in the home that she raised her family in. She lost her husband some years ago who left her a very small pension. The pension that he left her is £2 over the threshold for Pension Credit. She is struggling with the energy costs to heat her home and is in desperate need of the most cost-effective insulation measures. **SHE DOES NOT QUALIFY UNDER ECO3.**

Case study 2 – 2 Parents on minimum wage with 3 children

Energy Performance Certificate (EPC)
PREVIEWScotland

Dwellings

Dwelling type: Detached house

Date of assessment: 16 January 2019

Date of certificate: 22 January 2019

Total floor area: 120 m²

Primary Energy Indicator: 261 kWh/m²/year

Reference number: 0000-0000-0000-0000-0000

Type of assessment: RdSAP, existing dwelling

Approved Organisation: Elmhurst

Main heating and fuel: Boiler and radiators, mains gas

You can use this document to:

- Compare current ratings of properties to see which are more energy efficient and environmentally friendly
- Find out how to save energy and money and also reduce CO₂ emissions by improving your home

Estimated energy costs for your home for 3 years*

£3,411

See your recommendations report for more information

Over 3 years you could save*

£1,281

* based upon the cost of energy for heating, hot water, lighting and ventilation, calculated using standard assumptions

Very energy efficient - lower running costs

Very environmentally friendly - lower CO₂ emissions

Energy Efficiency Rating

This graph shows the current efficiency of your home, taking into account both energy efficiency and fuel costs. The higher this rating, the lower your fuel bills are likely to be.

Your current rating is **band D (65)**. The average rating for EPCs in Scotland is **band D (61)**.

The potential rating shows the effect of undertaking all of the improvement measures listed within your recommendations report.

Environmental Impact (CO₂) Rating

This graph shows the effect of your home on the environment in terms of carbon dioxide (CO₂) emissions. The higher the rating, the less impact it has on the environment.

Your current rating is **band E (58)**. The average rating for EPCs in Scotland is **band D (59)**.

The potential rating shows the effect of undertaking all of the improvement measures listed within your recommendations report.

Top actions you can take to save money and make your home more efficient

Recommended measures	Indicative cost	Typical savings over 3 years	Available with Green Deal
1 Increase loft insulation to 270 mm	£100 - £350	£228.00	✔
2 Cavity wall insulation	£500 - £1,500	£372.00	✔
3 Floor insulation (solid floor)	£4,000 - £8,000	£171.00	✔

A full list of recommended improvement measures for your home, together with more information on potential cost and savings and advice to help you carry out improvements can be found in your recommendations report.

The Green Deal may allow you to make your home warmer and cheaper to run at no up-front capital cost. See your recommendations report for more details.

THIS PAGE IS THE ENERGY PERFORMANCE CERTIFICATE WHICH MUST BE AFFIXED TO THE DWELLING AND NOT BE REMOVED UNLESS IT IS REPLACED WITH AN UPDATED CERTIFICATE

PREVIEW - NOT FOR ISSUE
Recommendations Report

Estimated energy costs for this home

	Current energy costs	Potential energy costs	Potential future savings
Heating	£2,334 over 3 years	£1,629 over 3 years	<div style="background-color: #4CAF50; color: white; padding: 5px; display: inline-block;"> You could save £1,281 over 3 years </div>
Hot water	£843 over 3 years	£267 over 3 years	
Lighting	£234 over 3 years	£234 over 3 years	
Totals	£3,411	£2,130	

These figures show how much the average household would spend in this property for heating, lighting and hot water. This excludes energy use for running appliances such as TVs, computers and cookers, and the benefits of any electricity generated by this home (for example, from photovoltaic panels). The potential savings in energy costs show the effect of undertaking all of the recommended measures listed below.

Recommendations for improvement

The measures below will improve the energy and environmental performance of this dwelling. The performance ratings after improvements listed below are cumulative; that is, they assume the improvements have been installed in the order that they appear in the table. Further information about the recommended measures and other simple actions to take today to save money is available from the Home Energy Scotland hotline which can be contacted on 0808 808 2282. Before carrying out work, make sure that the appropriate permissions are obtained, where necessary. This may include permission from a landlord (if you are a tenant) or the need to get a Building Warrant for certain types of work.

Recommended measures	Indicative cost	Typical saving per year	Rating after improvement		Green Deal
			Energy	Environment	
1 Increase loft insulation to 270 mm	£100 - £350	£76	D 67	D 61	✔
2 Cavity wall insulation	£500 - £1,500	£124	C 71	D 66	✔
3 Floor insulation (solid floor)	£4,000 - £8,000	£57	C 73	C 69	✔
4 Solar water heating	£4,000 - £8,000	£168	C 78	C 76	✔
5 Solar photovoltaic panels, 2.5 kWp	£5,000 - £8,000	£288	B 86	B 84	✔

Measures which have a green deal tick are likely to be eligible for Green Deal finance plans based on indicative costs. Subsidy also may be available for some measures, such as solid wall insulation. Additional support may also be available for certain households in receipt of means tested benefits. Measures which have an orange tick may need additional finance. To find out how you could use Green Deal finance to improve your property, visit www.greenerscotland.org or contact the Home Energy Scotland hotline on 0808 808 2282.

Alternative measures

There are alternative improvement measures which you could also consider for your home. It would be advisable to seek further advice and illustration of the benefits and costs of such measures.

- External insulation with cavity wall insulation

Choosing the right improvement package

For free and impartial advice on choosing suitable measures for your property, contact the Home Energy Scotland hotline on 0808 808 2282 or go to www.greenerscotland.org.

A two-parent family with three children. Both parents work full time on minimum wage, and they do not receive any form of Tax Credits but, they do however, receive Child Benefit. With the earnings cap in place at £34,500 they would need to have another child or alter / give up their job in order to qualify for any help with installing the most cost-effective insulation measures. **THEY DO NOT QUALIFY.**

Appendix 3

Case Study – Obtaining eligibility evidence

A female surveyor was recently at a property (7th Feb 2019) that was suitable for insulation measures to be installed. For the resident to be eligible for free insulation under the local LA Flex scheme they had to provide the following very personal information:

- Copy of utility bill with both partners name visible
- Copy of a bank statement
- Copy of tenancy rental agreement
- Photographic ID for proof of address
- Benefit documents

The cost of completing this administration for the surveying company is very high (see comments in Appendix 1) as it is unlikely that a resident will have all this information to hand during a first visit to the property. Many residents are also unwilling to provide such an extensive list of personal, confidential information to a commercial organization.

Residents also have to sign consent to allow the surveying organization to share their information with other companies. Within the ECO framework, this can lead to information being shared with:

- Other installation companies
- System designers / material suppliers & their auditing firms
- Technical Monitoring agencies & their auditing firms
- IT Platform providers
- Funding agents & their auditing firms
- Utilities & OFGEM & their auditing firms

One resident / home owner's information could be shared with 7 – 8 separate organizations in the process of going from identifying an eligible measure to validating it as a compliant install.

In this example, the surveyor was threatened verbally when asking the resident to provide this personal information. The situation escalated to the point where the surveyor feared that she would be the victim of a physical attack as a result of requesting the resident's information. Due to the shock of the experience, the surveyor needed to take several days of unpaid leave.

At a time when UK and European Governments are asking companies to reduce the amount of unnecessary information on individuals that they handle or store, we must ask is this level of information really necessary for someone in fuel poverty to receive a few hundred pounds worth of insulation for free? The principles of GDPR legislation should be encouraging us all to handle less customer data and only when necessary.