

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:

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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?

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

No

Name of
group:

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

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

(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

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:

Please note: 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 <input type="checkbox"/>	
No <input checked="" type="checkbox"/>	
Please give reasons for your answer: This work was done some years ago and needs rebasing. The current work programme being undertaken by the Zero Carbon Hub on design versus as built performance may also affect the values of the proposed performance standards.	

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: HBF does not itself have access to new or revised performance or cost data. Data is, however, available from a number of demonstration projects – including AIM C4 and projects supported by the HCA and other agencies such as Rowner and Graylingwell. On Carbon Compliance, the Federation is aware that the cost of pv has reduced since the Hub's earlier work was undertaken. The Hub's recommendations on the performance levels for different dwelling types under Carbon Compliance were, however, primarily based on the area of pv that could be accommodated rather	

than cost. We do not think therefore that changes in pv costs would themselves warrant changes to the proposed Carbon Compliance standards.

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 <input checked="" type="checkbox"/>	
Disagree with:	
a <input type="checkbox"/> b <input type="checkbox"/> c <input type="checkbox"/> d <input type="checkbox"/> e <input type="checkbox"/>	
Please provide 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:	
Any design principles which help with flexibility for the industry should be considered/allowed. None of the design principles should hinder innovation for the industry and its supply chain.	

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 <input checked="" type="checkbox"/>	
No <input type="checkbox"/>	
Comments:	
Equally there may be other routes which should be considered. For example, house builders developing large sites with scope for significant levels of on-site carbon saving through renewable generation or otherwise should be able to trade any "surplus" carbon mitigation achieved on-site either within their wider portfolio of developments or with other house builders.	

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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 all <input checked="" type="checkbox"/>	
Disagree with:	
route (i) <input type="checkbox"/> route (ii) <input type="checkbox"/> route (iii) <input type="checkbox"/> route (iv) <input type="checkbox"/>	
Suggested other route(s) and reasons:	
See comment on question 5. In addition, consideration could be given to enabling developers to gain Allowable Solutions credits now for use later if they have the opportunity to do so voluntarily on or in connection with their sites.	

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
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Route	Very likely	Occasionally	Unlikely
(i) Doing more onsite	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(ii) Delivering off-site through own actions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(iii) Contracting with a third party	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(iv) Payment into a fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<p>Please add any comments about your reasons.</p> <p>Very difficult to answer the above with any degree of certainty until we see what effect the new SAP which accompanies Part L has and indeed exactly where the Housing Standards Review comes out on relevant questions.</p> <p>We would expect use to be made of all the routes proposed – but the level of use of each will be a product of the size and nature of sites and companies as well as other variables. It is likely, however, that smaller and medium sized house builders would need to make significant use of a simple payment mechanism to a national fund given the greater</p>

demands that other routes might place on their comparatively limited staff resources and the smaller scale of most of their developments.

Question 8	Do you think the current market could scale up to meet additional demand for carbon abatement?
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Yes

No

Comments:

This is very hard to judge at present. We don't believe the market for Allowable Solutions has sufficient critical mass at this stage. The key question is how long it would take to achieve necessary mass.

Creating a new stand alone national fund for Allowable Solutions would take time, perhaps years – both to establish the fund infrastructure and governance and to generate a level of funds that was of interest to potential eligible carbon reduction projects seeking finance. It would probably take less time to use an existing financial body that was able to provide a platform or mechanism to "host" Allowable Solutions funding contributions and dispense these to eligible projects. One possibility might be for the Green Investment Bank to perform this role, but other options may also be worth considering – for example, the mechanisms used for dispensing ECO funding.

The availability of third party providers would depend on both the complexity of the Allowable Solutions regime and the scale of Allowable Solutions contributions potentially in play. Again it would take time for such a market to build given that it does not currently exist. Prospective entrants would need to know that the means for achieving verification of eligible projects and the extent of carbon saving obtained for a particular contribution were clear and easy to use.

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 <input checked="" type="checkbox"/>	
No <input type="checkbox"/>	
Please give reasons for your answer. This has to be the best way forward. This would provide a consistent country wide approach that would facilitate the entry of third party providers and company trading to the overall market for Allowable Solutions. The fragmentation of approach that would arise from allowing local authorities to determine arrangements would add to costs and detract both from housing delivery and the efficiency and effectiveness of carbon mitigation measures through Allowable Solutions. There might also be problems in determining to what extent funds generated by Allowable Solutions were properly accounted for and used if local authorities sought to include Allowable Solutions funding in wider funding streams such as Section 106 or CIL as discussed in the consultation document. This would be a very difficult set of arrangements to police and could lead to real problems for national government in determining whether the requirements of Building Regulations were actually being met.	

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 <input checked="" type="checkbox"/>	
No <input type="checkbox"/>	
Please give reasons for your answer. This would be comparatively a less efficient and effective approach that a national framework as proposed by the government.	

Chapter 4: Allowable Solutions measures and verification

Question 11	Should Allowable Solutions be concentrated on particular types of measure?
Yes <input type="checkbox"/>	
No <input checked="" type="checkbox"/>	
Please give reasons for your answer There should be as wide a range of measures as possible in order to meet the design principle of flexibility for an Allowable Solutions regime. Such flexibility will be important to ensure Allowable Solutions are as cost effective as possible by encouraging competition and innovation among those offering carbon reduction opportunities to the market. The consultation document rightly points out a number of circumstances in which limiting Allowable Solutions measures to the non-traded sector only could be sub-optimal and counter-productive.	

Question 12	Do you think that Allowable Solutions should be confined to only to measures in the non traded sector of the economy?
Yes <input type="checkbox"/>	
No <input checked="" type="checkbox"/>	
Please give reasons for your answer It is important in order to maximise innovation and efficiency in achieving carbon reductions through the zero carbon homes policy that a wide range of opportunities are open to Allowable Solutions contributions from house builders.	

Question 13	Should measures in the traded sector be supported by Allowable Solutions, provided that they meet the appropriate criteria?
Yes <input checked="" type="checkbox"/>	
No <input type="checkbox"/>	
Please give reasons for your answer	

Question 14	Do you think that Allowable Solutions should be confined to measures in the built environment?
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Yes	<input type="checkbox"/>
No	<input checked="" type="checkbox"/>
Please give reasons for your answer	
We need to save CO2 as a nation and as such total flexibility is required in providing Allowable Solutions. Confining Allowable Solutions to just the built environment will not achieve this.	

Question 15	Do you think that measures should just be confined to residential buildings or should also cover non domestic buildings?
Residential buildings only	<input type="checkbox"/>
Residential and non domestic buildings	<input checked="" type="checkbox"/>
Please give reasons for your answer	
Should cover non domestic buildings as well, but, as argued under Question 14, not confined to measures in the built environment. .	

Question 16	Do you think that there should be any spatial limitations on Allowable Solutions?
Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>
Please give reasons for your answer	
Since this is a regime being implemented for the purposes of the Building Regulations in England, Allowable Solutions for the purposes of the English Regulations should be in respect of measures undertaken in England unless a reciprocal agreement is negotiated between the home governments within the UK that allowed each to use a UK focus for Allowable Solutions.	
If yes, do you think that Allowable Solutions should be limited to projects located in:	
(a) the locality of the development	<input type="checkbox"/>
(b) England	<input checked="" type="checkbox"/>
(c) United Kingdom	<input type="checkbox"/>

Please give reasons for your answer.

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?
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Yes

No

Please give reasons for your answer
Yes but there needs to be greater clarity around the criteria set.

Question 18	Are there other criteria you consider should be used?
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Yes

No

Please give reasons for your answer
It is not immediately obvious that other criteria should be added, although there needs to be as much flexibility as possible and we should therefore keep an open mind at this stage in case further criteria seem desirable as more detailed thinking is taken forward.

Question 19	Do you have evidence that you are willing to share with DCLG about the likely supply of Allowable Solutions' measures?
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Comments:
No

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?
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Yes

No <input type="checkbox"/>
<p>Please give reasons for your answer</p> <p>For speedy completion of new homes an early agreemtn and sign off process needs to be in place.</p>

Question 21	Do you have views on how such a system might best operate?
<p>Comments:</p> <p>Needs to operate under Building Regulations. This will avoid unnecessary complexity and duality or possible conflicts between compliance/ verification arrangements.</p>	

Question 22	Do you agree that the verification system for Allowable Solutions should include arrangements for ex post verification?
Yes <input type="checkbox"/>	
No <input checked="" type="checkbox"/>	
<p>Please give reasons for your answer</p> <p>Upon completion of a new home the relevant certification that it has been completed with no conditions is required for CML purposes. Ex post certification will cause delays in this process which will delay handover to the customer. The Allowable Solutions infrastructure should look after these issues and insulate the house builder from any delivery risk on mitigation projects which the house builder cannot be responsible for.</p>	

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:	

As soon as an Allowable Solution provider is on board they should issue a certificate/letter to the Building Control informing them that the Allowable Solution part of the Regulation has been fulfilled. They are then as the provider responsible.

Question 24	Should there be sanctions for non delivery of the expected carbon savings for Allowable Solutions' measures?
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Yes

No

If Yes, how should those sanctions operate?

There needs to be a simple process in place whereby the Allowable Solution provider is able to prove that he has delivered what was agreed. If the Allowable Solution is not delivered by the Allowable Solution provider within a certain time limit (say 5 years) then the money should be returned to the housebuilder.

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 <input type="checkbox"/> (b) set a single fixed price? Or <input type="checkbox"/> (c) set a ceiling price but enabling Allowable Solutions to be brought forward at lower prices? Or <input checked="" type="checkbox"/> (d) set a floor price for Allowable Solutions? <input type="checkbox"/> <i>(tick one box above only)</i>
Comments:	Given that we advocate a wide range of tradeable sector and non-tradeable projects being supported through Allowable Solutions, we should use current European trading price as ceiling but enabling Allowable Solutions to be brought forward at lower prices.

Question 26	Which price do you think should be adopted and why? low <input checked="" type="checkbox"/> central <input type="checkbox"/> high <input type="checkbox"/>
Comments:	Since Allowable Solutions are mitigating carbon emissions from energy use that cannot be de-carbonised on site, it is logical to use the market floor price for investment in low carbon generation.

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:	Don't know

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?
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Comments:

Depends also upon where FEES and Carbon Compliance end up but clearly the higher the cost of Allowable Solutions the greater the impact on project viability is likely to be particularly in lower value areas and for regeneration projects.

Question 29	Is 3 years an appropriate interval to review the price cap?
Yes <input checked="" type="checkbox"/>	
No <input type="checkbox"/>	
If no, how often do you think it should be reviewed? Don't know	

Question 30	Should Allowable Solutions cover 30 years of residual emissions?
Yes <input type="checkbox"/>	
No <input checked="" type="checkbox"/>	
If no, how often do you think it should be reviewed? No, initially. However, the period of residual emissions to be covered should be revised downwards progressively over time given that the government has wider policies to decarbonise electricity and heat supply. This needs to decrease from 30 years downwards on a yearly basis in any calculation around cost of Allowable Solutions.	

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 <input checked="" type="checkbox"/>	
No <input type="checkbox"/>	
Please give reasons for your answer	

Clearly if it doesn't it is a tax

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 <input checked="" type="checkbox"/>	
No <input type="checkbox"/>	
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: Probably all of them under a collection of certification/certificate schemes that can be provided to Building Control.	

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 <input checked="" type="checkbox"/>	
No <input type="checkbox"/>	
Please give reasons for your answer In order to bring competition into the market	

Question 35	How might that approach operate?
Comments: Through contractual arrangements between the housebuilder and the Allowable Solution provider	

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: No	

Question 37	Do you agree that provision of a matching service should be considered?
Yes <input checked="" type="checkbox"/>	
No <input type="checkbox"/>	
Please give reasons for your answer: Any fees for matching should be inclusive of Allowable Solutions payment	

Question 38	Do you have views on how such a system might work to assist house builders?
Comments: No	

Question 39	Do you have any evidence of existing matching services which could be drawn on in developing such an arrangement?
Comments: No	

Question 40	Do you agree that provision of a brokerage service should be considered?
Yes <input checked="" type="checkbox"/>	
No <input type="checkbox"/>	
Please give reasons for your answer	
This could be an accessible means of house builders finding suitable projects to provide the mitigation they require.	

Question 41	Do you have views on how such a system might work to assist house builders?
Comments:	
No	

Question 42	Do you have any evidence of existing brokerage services which could be drawn on in developing such an arrangement?
Comments:	
No	

Question 43	Do you agree that provision of a fund approach should be considered?
Yes <input checked="" type="checkbox"/>	
No <input type="checkbox"/>	
Please give reasons for your answer:	

Question 44	Do you have views on how such a system might work to assist house builders?
Comments: Only that such a solution would need to be simple and low cost	

Question 45	Do you have any evidence of existing funds which could be drawn on in developing such an arrangement?
Comments: No	

Question 46	<p>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.</p> <p>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?</p>
Yes <input checked="" type="checkbox"/>	
No <input type="checkbox"/>	
Comments: In principle this option should be considered, but we cannot judge likely take up at present. This depends on costs involved	

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:	

Reasonable assessment

Question 48	Are there other considerations which government should be taking into account?
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Comments: FEES, Carbon Compliance and the decarbonisation of the grid, and whether non domestic should be included as well.

Question 49	In the light of this analysis what is your preferred delivery route? house builder DIY <input type="checkbox"/> bilateral <input type="checkbox"/> matching / brokerage <input type="checkbox"/> fund <input type="checkbox"/> <i>(tick one box above only)</i>
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Please provide reasons for your answer. No preference – most economic solution depending on the circumstances which will vary from case to case.
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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?
<p>Please provide reasons for your answer.</p> <p>A serious review of the timeline needs to take place plotting the critical path. This will no doubt result in the maximum time available for familiarisation.</p> <p>Familiarisation period is also very dependent upon the scheme rules and needs to all be linked to timing of the next Part L after 2014.</p>	
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?
<p>Comments:</p> <p>No</p>	