

***Written evidence submitted by The Chartered Institute of Building (CIOB) to the Energy and Climate Change Committee on the Green Deal: watching brief (part 2)***

**About us**

The Chartered Institute of Building is at the heart of a management career in construction.

We are the world's largest and most influential professional body for construction management and leadership. We have a Royal Charter to promote the science and practice of building and construction for the benefit of society, which we have been doing since 1834. Our members work worldwide in the development, conservation and improvement of the built environment.

We accredit university degrees, educational courses and training. Our professional and vocational qualifications are a mark of the highest levels of competence and professionalism, providing assurance to clients and other professionals procuring built assets.

We are responding, primarily, to raise an important issue that prevents qualified building surveyors from undertaking work under the ECO.

**Overview**

- We strongly believe that retrofitting the existing building stock is both the greatest challenge and opportunity facing the construction industry today. The Green Deal and ECO are two mechanisms to achieve this, but current levels of energy efficiency work are far below those under the previous schemes of CERT and CESP.
- We are unable to provide direct evidence regarding take-up, public awareness or improving the Green Deal, but would instead like to raise an important issue that touches on supply chain and job creation, as well as access to the Green Deal and ECO from a workforce perspective. This involves the prevention of qualified and competent building surveyors, including those who are members of other professional bodies or indeed unaligned to any body, from carrying out work under the ECO.
- The number of Green Deal assessments that have taken place is encouraging considering the criticism of the scheme, but the lack of a transition of these into Green Deal Plans is of clear concern. In our view, and that of many other organisations, this indicates that the existing incentives are not attractive enough, the financing part of the scheme is too complicated, the interest rate is simply too high to justify taking out a loan, or a combination of all of these and more.
- In effect, the Green Deal has primarily amounted to boiler replacements (94% of all measures that cashback has been claimed on are boilers), which are just one of many measures needed to effectively retrofit the existing housing stock. We recognise that, as costs come down, some of the other measures are likely to become more attractive to consumers, but the costs are unlikely to decrease unless sufficient levels are installed in the first instance.

- Green Deal Advisors need to be fully aware of the benefits of good maintenance and repair; the simple and least expensive options may provide some of the best results, and should always be considered in the first instance. In cases like this, a loan scheme may not be the most suitable mechanism simply because the payback period is so quick.
- We do not think that the general principle of ‘pay as you save’ needs changing – in fact, this is a common sense approach as free or significantly subsidised measures are extremely unlikely in an austere spending climate. Instead, we believe that the mechanisms that are currently in place need reviewing.

## 1. Background

**1.1** The CIOB supports the emission reduction targets set out in the Climate Change Act (2008), and is actively informing our 45,000-strong membership base and wider construction industry on simple, practical, best practice actions on how to reduce carbon emissions in the built environment through our [Carbon Action 2050](#) (CA2050) initiative.

**1.2** There are nearly 30 million buildings (domestic and non-domestic) in the UK. Approximately 28 million of these (including 26 million homes) are required to be retrofitted by the end of 2050 if the carbon targets are to be met. Up to 85% of housing that will exist in 2050 has already been built.<sup>1</sup> The energy used to heat, light and run domestic buildings alone accounts for 27% of all UK CO<sub>2</sub> emissions.<sup>2</sup>

**1.3** It has been calculated that the UK has the oldest domestic housing stock in the developed world, i.e. some 8.5 million properties that are over 60 years old (pre-1944: 38%, 1945-1984: 46%, 1985 onwards: 16%).<sup>3</sup>

**1.4** There are approximately 1.8 million non-domestic buildings in the UK. These are responsible for circa 18% of the country's total CO<sub>2</sub> emissions. Three-quarters of the non-domestic building stock are more than 25 years old, while nearly one-third are over 70 years old (pre-1940: 31%, 1940-1985: 46%, 1985 onwards: 23%).

## 2. Electricity and Gas (Energy Companies Obligation) Order 2012

**2.1** We are severely concerned that the *Electricity and Gas (Energy Companies Obligation) Order 2012*, and the related ECO guidance from Ofgem, specifies that only a Chartered Surveyor, with unambiguous reference to the Royal Institution of Chartered Surveyors (RICS), can recommend energy efficiency measures and produce reports under the ECO. This prevents other equally qualified and competent building surveyors, including those who are members of other professional bodies or indeed unaligned to any body, from carrying out this work.

**2.2** It is vital to make clear that the designation of Chartered Surveyor is not, nor has it ever been, a licence to practice but is instead a professional qualification from a body that operates in a market alongside other relevant bodies, including the CIOB, the Chartered Institute of Building Services Engineers, and the Chartered Association of Building Engineers, to name but a few. Suggesting that membership of a single professional body is necessary for work under ECO is anti-competitive and very likely to be a restraint of trade, as it excludes qualified and competent professionals from carrying out this work.

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<sup>1</sup> Existing Homes Alliance, 2010

<sup>2</sup> UK Green Building Council, 2009

<sup>3</sup> Building Research Establishment (BRE), 2010

- 2.3** Conversely, and just as importantly, we would also call attention to the fact that many Chartered Surveyors, such as quantity surveyors, estate agents and auctioneers, would have neither the qualifications nor competency to provide a report on such measures.
- 2.4** We have twice written to Greg Barker MP, Minister of State for Energy and Climate Change, and officials at DECC and Ofgem regarding this issue, but are yet to receive a constructive response. One reply from the Minister suggested that those currently unable to qualify to undertake ECO work should instead become members of the RICS, which we do not consider to be an ethical or appropriate course of action. At worst, this is a restraint against professionals, be they CIOB members or otherwise.
- 2.5** The CIOB is a professional body incorporated by royal charter and counts within its membership base of construction management professionals many qualified building surveyors. Chartered membership of the CIOB is awarded upon successful completion of professional examinations and demonstration of appropriate competencies in which knowledge, ability and professionalism are tested at honours degree level (Level 6). CIOB professional qualifications are widely respected in the industry as a designation of expert knowledge and competence in the built environment discipline.
- 2.6** The CIOB merged with the former Architecture and Surveying Institute (ASI) in 2003, and members of the ASI subsequently become members of the CIOB. The ASI was a professional body primarily serving building surveyors and, therefore, many professional building surveyors would now regard the CIOB as the natural home of their profession.
- 2.7** We believe that the ECO Order requires amending to allow qualified, professional building surveyors to undertake assessment and reporting work under the scheme.