



CONSULTATION ON THE FUTURE OF THE CODE FOR SUSTAINABLE HOMES: MAKING A RATING MANDATORY

FULCRUM CONSULTING RESPONSE

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Fulcrum Consulting is a leading firm of multi-disciplinary consulting engineers.

We deliver fully integrated design of building services and infrastructure. We also advise on building design and built fabric solutions which ensure minimum environmental impact.

The company was founded in 1984. We have a long-term interest and expertise in low energy and sustainable design of buildings and the built environment. We believe that the rational application of cost, performance and quality drivers leads to reduction in waste and carbon emissions.

Fulcrum Consulting takes a lead in controlled innovation. We research and identify suitable technologies and companies developing them to further our aims. We work in both formal and informal partnerships with such technology suppliers to integrate their products into high quality and exemplar designs.

Fulcrum Consulting are founding members of the UK Green Building Council, which is dedicated to dramatically improving the sustainability of the built environment by radically transforming the way it is planned, designed, constructed, maintained and operated.

Fulcrum Consulting is a Code assessor organisation (alongside EcoHomes and BREEAM), employing a number of trained Code assessors.



In order to respond to this consultation we held an in-house discussion regarding the consultation document, and the views expressed within this response are those that emerged from that discussion.

We have arranged our comments against the questions raised in the consultation document.

Q1 Do you agree that a rating (not an assessment) against the Code for Sustainable Homes should be mandatory for all new marketed homes from April 2008?

We agree that a rating against the Code should be mandatory for all new marketed homes from April 2008 with the following provisos:

We are concerned about the level of government intervention seen so far in the Code, as demonstrated in the October update to the Code Technical Guidance. The Code must be a robust document, not seen to change at the whim of government. The ability to use 'accredited external renewables' must be brought back into the Code for dwellings built to 'true zero carbon' standards. There are far-reaching implications if this is not done swiftly – for example our experience shows that it is not possible to achieve 'true zero carbon' on-site on the vast majority of brownfield inner city sites due to the inherent limitations of such a site. We recognise that the mechanism to prove the additionality of 'accredited external renewables' is not completely bottomed out at present, but a robust definition will be reached sooner if driven by market demand.

We believe that if a rating against the Code is to be made mandatory, then the Code should remain a fairly static document, especially over the first few years of its introduction. Therefore issues such as the one outlined above should be ironed out prior to making the Code mandatory. It is particularly important in driving consumer demand and expectations that the Code does not become a political battlefield.

There is also an issue about the rating given to homes in the first phases of a large development. It is sometimes the case that for reasons of practicality and efficiency dwellings in the first phases of a development where a district heat network powered by low or zero carbon energy sources is to be installed are not connected until a critical mass of units are built. Therefore it may be the case that at time a dwelling is purchased, it has not realised the highest Code level that it is able due to the absence of connection to the intended LZC supply. We believe there should be a mechanism in place to allow such dwellings to receive a final certificate prior to connection to the LZC energy source, which reflects the fact that the dwelling will ultimately be connected to that source.

We are also concerned about the training of adequate numbers of assessors, the robustness of the spreadsheet tools which accompany the Code, and the quality and timeliness of support offered to Code Assessors. We elaborate on the issue of numbers of assessors under Q6. Being an Assessor Organisation with a number of Code Assessors we have experienced first hand the difficulties in receiving robust, consistent and timely response to queries from BRE regarding specifics of the Code. This issue urgently needs to be tackled so when the demand for assessments goes up, assessors have the support they need.

Q2a Do you agree that where homes are not assessed against the Code for Sustainable Homes, potential buyers should be given a document which clearly states that it has not been assessed?

Yes, if what is mandatory is a rating against the Code, then buyers need to know that the home they are buying hasn't been assessed under the Code. However, an awareness campaign should be run to make consumers aware of the existence of the Code rating system, and the benefits of buying a house which has achieved a rating at the higher levels of the Code.

Q2a Would you prefer that this document is:

a) a zero star certificate; or

b) a standard letter?

There are likely to be benefits to having certificates for all levels of the Code (including for developments not assessed against the Code) as this will help consumers if they know that when buying a newly built home they should be receiving a Code certificate.

However, we believe that the 'zero rated' and 'zero star' terminology on the proposed certificate will be very confusing to consumers, as it is similar to the 'zero carbon' terminology for a Code 6 dwelling (but is meant to demonstrate a completely different meaning).

Therefore, we support the use of a certificate, but only if the terms 'zero rated' and 'zero star' are not used. We believe that 'ungraded' would be infinitely more appropriate.

Q3 Do you agree that, before we make rating against the Code mandatory, we should require that all Code assessor organisations (or self-employed individuals) are able to provide Code and EPC services as a single package?

No. If the market demands that Code assessors should also be able to offer EPC services, then this will happen of its own accord. We believe that EPC services are more closely aligned with the duties of a SAP assessor and therefore see no need to require that Code assessor organisations are able to provide Code and EPC services as a single package.

Q4a Do you agree that the Home Information Pack would be an appropriate mechanism for ensuring homebuyers are provided with a rating against the Code for Sustainable Homes?

In principle we support the use of HIPs as the mechanism for ensuring homebuyers are provided with a rating against the Code. However, we are not sure that it is viable and are concerned that it may just fuel further consumer confusion.

The issue extends from the fact that HIPs are required at the sale of all dwellings, new or old. A Code certificate will be an item which only occurs in the HIP of new dwellings. This is likely to spread confusion amongst homebuyers and reduce consumer confidence in the initiative.

If the requirement for a Code Certificate is included in the HIP, this brings up an interesting quandary. Will it be a requirement that the Code Certificate is passed on to subsequent purchasers of the property? If this is the intention (and it would help market

penetration and awareness if it was) then would there need to be a mechanism to ensure the rating was still an accurate representation of the dwelling in question? Many aspects of a home can be altered by the homeowner, therefore there is a risk that on subsequent sales the actual rating would be different than that stated on the initial final Code certificate. If this is not the intention then market penetration will be low as it will be restricted in circulation to the number of homes built each year (stated as 165,000 in this consultation document) and not have a cumulative effect. Clarification of this issue would be most welcome.

Q4b Do you think it is necessary to have legislative powers to ensure that both design stage and post-construction certificates are given to homebuyers?

We believe that the final Code (post-construction) certificate should be required to be given to homebuyers, and if this means that further legislative powers are required, then so be it. However we would argue that it is only the final (post-construction) certificate which is important. i.e it should only be the final certificate which is mandatory to be given to the housebuyer, not the interim (design stage) certificate. This should take away some of the confusion of the housebuyer as it may be the case that the rating shown on the final certificate does not match that shown on the interim certificate. Therefore we believe that it should be up to the individual developer/agent whether the customer is shown the interim certificate or not.

Q5a Do you agree there should be a transitional period for the introduction of a mandatory rating against the Code?

Yes, the house building industry needs to have time to adapt to these new requirements, and although many developers are currently building homes to various Code levels, it is not fair to demand a rating if the Code criteria haven't been considered during the design stage (as they are not required to be at present).

Q5b If there is a transitional period, should this come into effect for new homes that either:

- **apply for planning permission after April 2008; or**
- **reach the Initial Notice, Full Plans or Building Notice stage of the building control notification process after April 2008?**

We believe that the requirements should come into effect for new homes that apply for full planning permission after April 2008. This is because elements of the Code are more closely aligned with the planning approval process than the building control process. To link it to outline submission of planning permission may mean that developers apply for outline consent early to avoid the need to carry out Code assessments, which is why we believe that full planning is a more appropriate time.

Using building regulations submission as the threshold does have its advantages in terms of clearly defining a date at which submission was made. Therefore we would support this option is the implementation date for this was not April 2008, but an announced date which developers were officially warned about at least 4 months in advance.

Q6 Do you agree with our analysis of the likely demand for assessments and that there will be sufficient Code assessors available?

From our own experience of being Code, EcoHomes and BREEAM assessors we are concerned about the analysis of demand for assessments. The assumption in the consultation document that on average there will be one code type per 15 dwellings (1000 assessments required per 15,000 properties) seems a very high ratio. Our experience shows that it is more like one per 5 dwellings. This means that the analysis in the consultation document severely underestimates the number of assessments required, and hence the number of Code assessors required to carry out the work.

We would dispute the fact that BRE are training 50 new assessors per month. We have been trying to register additional people on Code training courses for some time, but there has been a lack of course dates available. Therefore we do not doubt that there are many people who wish to become Code assessors at this moment in time, but the availability of suitable training courses is a real issue.

Taking the conservative estimate used in the consultation that as of April 2008 each Code assessor would need to carry out 25 assessments per year, we still do not believe that demand would be met. This is due to the fact that not all people who are trained as Code assessors actually go on to become accredited Code assessors; of those that do become accredited, not all will actually be carrying out assessments; and the majority of those who do undertake assessments will not be doing it full time. For example, trained Code assessors within our organisation tend to use their knowledge of the Code to advise clients on the measures they need to take to achieve particular levels of the Code, rather than actually carry out assessments themselves, and there are many other organisations where the same is true.

Undertaking Code assessments is a fairly tedious job, so retention of active Code assessors is also likely to be an issue, and is one of the reasons why there are not very many full time assessors. New assessors will always have to be trained, and although the number of trained Code assessors will rise, the number of active Code assessors is likely to plateau.

So in short, we do not agree with the analysis within the consultation document. We believe that it underestimates the number of assessments required, and overestimates the number of Code assessors available by April 2008. The transitional arrangements will help, but many more training courses need to be made available before April 2008 for there to be a chance that there will be enough active Code assessors to fulfil demand.

Q7a Do you agree with the principle that the Code for Sustainable Homes should be changed to reflect the changes to the building and other regulations?

We agree with the principle that the Code should remain a current document – i.e. that references to out of date regulations should be updated. However, it is important for developers that the Code remains in principle an unchanging document in terms of absolute standards.

What we mean by this is that if in the future it is desirable for there to be a rating in excess of the current Code 6 requirements, we believe that this should be achieved by adding additional Code levels (e.g. 7, 8, 9, etc) rather than revising the current set of credit requirements to be more onerous. There are many ways in which the methodology of the Code could be extended, and the practicality of extending the Code levels would need to be thoroughly thought through, but we believe that this would be a much preferable option for developers than the system seen under EcoHomes where at each successive update the requirements were changed to try to maintain the difficulty of achieving particular ratings.

Other items may become mandatory over time by virtue of changing regulations – for example the requirement for site waste management plans. We had much debate over whether these credit areas should be updated so credits are achieved for being ahead of legislation, not meeting it. This is a tricky question, but on balance we believe that this could be covered by additional credits available to developments meeting Code 7, 8, 9, etc, rather than revisions to the original Code methodology.

Q7b Do you agree that the Code for Sustainable Homes should be revised in light of changing Building Regulations in 2010?

No. However, certain aspects of the Code will need to be redrafted (notably the percentage improvements stated in Ene1) to keep the Code document current. In 2010, the Building Regulations will be updated to require CO₂ emission reductions of 25% from 2006 regulations (i.e the TER in 2010 will become 25% lower than the TER under 2006 regulations). Therefore the absolute percentage improvements stated in Ene1 will need to be revised (i.e. the 44% reduction for 8 credits under 2006 regulations will become 33% under 2010 regulations). This will mean that no development will achieve less than 5 credits under Ene1 if built to 2010 building regulations. We do not see a problem with this.

Q8a Do you agree that Lifetime Homes standards should be mandatory in the Code?

No. There are some fundamental problems with the principles of Lifetime Homes standards, and we do not think they should become a mandatory element in the Code. Designing for flexibility requires compromise, removing the potential for optimal results to be achieved in any area. It also means that there will be wastage in design, with many homes over-engineered and containing more material than they otherwise would have needed to. We do not believe that this is desirable for all homes on the off chance that they will be converted at some point in the future.

Lifetime Homes standards are mainly marketed as allowing older people to remain in the family home. However, it is arguable that family housing should be for families, and that after children have grown up and left home it is appropriate for parents to downsize to more appropriate accommodation rather than necessarily adapt a home which is now too large for them. This would enable the mix of homes that are created to be utilised in the most effective and appropriate way.

Local Authorities should specify the appropriate mix of house types for a particular locality according to projections of future demographics, rather than expect that every dwelling should be able to be converted to be suitable for a particular use. This mix would include a proportion of dwellings built to Lifetime Homes standards to cater for the proportion of the population that have need for the features afforded by Lifetime Homes, but we do not think it appropriate or desirable for Lifetime Homes standards to be required for all new homes assessed under the Code.

See also response to Q8b below.

Q8b Do you agree that Lifetime Homes standards should be mandatory at progressively lower levels of the Code starting with level 6 in 2008, level 4 in 2010 and level 3 in 2013?

No. At higher levels of the Code, homes will be designed to the Lifetime Homes standard anyway as it is a highly weighted element, giving 4.68% towards the final score if attained.

Local Authorities and other bodies such as English Partnerships can require that a certain proportion of dwellings on a development (up to 100%) have to be designed to Lifetime Homes standards, so we believe that this is already covered elsewhere and should not form a mandatory element of the Code.

See also response to Q8a above.