Citizens Advice response to the Future Homes Standard Consultation





The Citizens Advice service provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities. It values diversity, promotes equality and challenges discrimination. Since 1 April 2014, the Citizens Advice service took on the powers of Consumer Futures to become the statutory representative for energy consumers across Great Britain.

The service aims:

- To provide the advice people need for the problems they face
- To improve the policies and practices that affect people's lives.

The Citizens Advice service is a network of nearly 270 independent advice centres that provide free, impartial advice from more than 2,550 locations in England and Wales, including GPs' surgeries, hospitals, community centres, county courts and magistrates' courts, and mobile services both in rural areas and to serve particularly dispersed groups.

We give advice to people through our network of local Citizens Advice and through our national consumer service helpline. Between these 2 services, last year we advised over 130,000 people, solving 100,000 problems. Over 25,000 people saved money because of our advice. We also offer specialist support to the people who need our help most through the Extra Help Unit, where last year we helped over 9,000 people.

Since April 2012 we have also operated the Citizens Advice Consumer Service, formerly run as Consumer Direct by the Office for Fair Trading (OFT). This telephone helpline covers Great Britain and provides free, confidential and impartial advice on all consumer issues.

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Introduction

Citizens Advice welcomes the Future Homes Standard consultation as part of the process of creating better, more sustainable homes and ensuring that more efficient heating systems become the norm.

As the UK works towards rapid decarbonisation, many of the people we help will need support to make sure that they can access the new technologies and systems that will come about as a result of this. As such, one of our priorities includes consideration of the provision of low carbon heating systems which are beginning to be introduced and the impacts of this on consumers.

Recently published research from Citizens Advice shows 82% of UK adults support the goal to reach net zero carbon emissions by 2050¹. Despite strong public support, there is a lack of public understanding about the technological and lifestyle changes people will need to make.

Our latest research shows that despite strong public support for our net zero goal, people are unaware of the changes that will be needed:

• Just 38% of people think they'll need to change the way they heat their homes to a low-carbon heating system. But The Committee on Climate Change recommends 90% of homes will need to install low carbon heating systems for the UK to meet its net zero goal².

People are willing to make changes to their homes and lifestyles to reach net zero, but they need support to get there:

- 92% said they would be happy to make their homes more energy efficient to ensure the UK meets its net zero targets. But 66% of these said they would need support to do this
- 79% said they would be happy to change the way they heat their homes to ensure the UK meets its net zero targets. Of these, 76% said they would need support to make changes to their heating system³.

The housing stock in the UK consists of aged and poorly insulated homes, this contributes to greater heat loss from buildings⁴. The government must ensure

¹ Citizens Advice, <u>Zero Sum</u>, 2020.

² Committee on Climate Change, <u>Net Zero: The UK's contribution to stopping climate change</u>, 2019.

³ Citizens Advice, <u>Zero Sum</u>, 2020.

⁴ Centre for Alternative Technologies, <u>Zero Carbon Britain: Rising to the Climate Emergency</u>, 2019.

that new build homes are fit for purpose in a net zero Britain and avoid the need for future low carbon retrofitting in homes being built today.

Whilst it is important to rapidly move towards sustainable solutions to everyday heating needs and to achieve net zero, it is equally important to make sure that consumer needs are addressed and built in from the beginning of this process. Plans to achieve net zero cannot move forward by leaving consumers behind. More about this can be read in our recently published <u>Zero Sum</u> report.

Our response to this consultation therefore aims to help clarify the policies and practice necessary to make the transition to low carbon heating fair.

Response

Q1. Do you agree with our expectation that a home built to the Future Homes Standard should produce 75-80% less CO2 emissions than one built to current requirements?

Yes.

Q2. We think heat pumps and heat networks should typically be used to deliver the low carbon heating requirement of the Future Homes Standard. What are your views on this and in what circumstances should other low carbon technologies, such as direct electric heating, be used?

Decisions on the type of heating installed in homes and buildings will need to be driven by what is appropriate for the geographical area, building construction and local demographic. It might also be appropriate to consider the lifetime of the home and future occupants.

Direct electric heating may have a role in acting as a balancing technology for the grid during times of excess power. However, it will be important to ensure that the installation of this technology is undertaken because it is appropriate for the consumer as opposed to the grid.

Previous research by Citizens Advice has illustrated that barriers to taking up Time of Use offerings that emphasise offering balancing through optimisation will affect a higher proportion of consumers than other future supply models. Consumers most affected include those with low income or lack access to savings, those that hold attitudes of distrust towards the energy market and are not motivated to engage in the energy market. In contrast, more affluent energy users are more likely to be able to shift demand, since they may be more likely to afford batteries or devices that can help them store energy when it is available and inexpensive, or smart systems that can programme their appliances or thermostat to operate when energy is cheapest.

In this context consumers must be able to understand the benefits and risks of a service before signing up, and once taken up, the effects and outcomes of a service must be easily auditable so consumers can trust the savings promised are being achieved. Where offering a service becomes inappropriate for a consumer, they should be able to leave the contract - people shouldn't be trapped in a service that doesn't work for them. Vulnerability should also be considered in designing and delivering time of use tariffs. Customers on time of use tariffs might require extra help, people should be able to contact their company for help in a way that works for them - for example a dedicated phone line.

While we agree that based on current evidence both heat pumps and heat networks appear to be the most appropriate option for the Future Homes Standard (FHS) it is important to ensure that the door remains open for potential new innovation in low carbon heating technologies.

In addition, for heat networks, a clear regulatory system will be essential. This must offer the same level of protection that is currently available for gas and electricity customers before we see wide spread roll out.

Furthermore, there have been concerns raised around the effectiveness in-situ of heat pumps and while we welcome the further research commissioned by BEIS in this sector more should be done to raise awareness of these technologies and how they operate.

Finally, a clear strategy needs to be in place regarding the full decarbonisation of heat networks. Currently, many heat networks use gas-fired CHP to deliver heat to homes and buildings. At some point these systems will need to be replaced by either hydrogen-fired boilers or large ground source heat pumps. A clear, regulatory strategy will be needed sooner rather than later to ensure industry is ready and this is implemented to deliver net zero.

Q3. Do you agree that the fabric package for Option 1 (Future Homes Fabric) set out in Chapter 3 and Table 4 of the impact assessment provides a reasonable basis for the fabric performance of the Future Homes Standard?

Yes.

Q4. When, if at all, should the government commence the amendment to the Planning and Energy Act 2008 to restrict local planning authorities from setting higher energy efficiency standard for dwellings?

Option b - In 2020 but only in the event of the introduction of a 31% uplift (option 2) to the energy efficiency standards of Part L.

This would allow for a smooth transition. Allowing developers to build to higher standards will enable much more readiness for net zero.

Q5. Do you agree with the proposed timings presented in Figure 2.1 (displayed in Chapter 2) showing the Roadmap to the Future Homes Standard?

Yes.

Chapter 3 Part L Standards for New Homes in 2020

Q6. What level of uplift to the energy efficiency standards in the Building Regulations should be introduced in 2020?

Option 2 – 31% CO2 reduction (the government's preferred option)

The challenge of net zero should not be underestimated. Research by the CCC show that the need for low carbon heating to deliver net zero will impact over 90% of homes⁵ and if people are having to face changes then we should maximise the emissions reductions that those changes can deliver. In addition, the government should seek to avoid having to retrofit new homes once they are built which is much more disruptive and expensive for consumers.

Q7. Do you agree with using primary energy as the principal performance metric?

Yes – primary energy should be the principal performance metric.

Please explain your reasoning and provide evidence to support this.

In considering the costs that consumers have to bear this is a sensible option.

Q8. Do you agree with using CO2 as the secondary performance metric?

Yes. CO2 as a metric is important as we need to demonstrate and monitor the move to net zero. It will also be an important part of the narrative to demonstrate to consumers that such changes are delivering on real, demonstrable change on the ground.

Q9. Do you agree with the proposal to set a minimum target to ensure that homes are affordable to run?

Yes. Affordability will become an even more important issue in the future as we move to technologies that potentially have a higher unit cost. The cost of the transition to a low carbon future should be fairly distributed and that the people in vulnerable circumstances must not end up bearing proportionally more of the cost.

⁵ Committee on Climate Change (2019): https://www.theccc.org.uk/publication/net-zero-the-uks-contribution-to-stopping-global-warming/

A minimum target will help to avoid a 'postcode lottery' when it comes to the delivery of high quality, low carbon housing.

Q10 Should the minimum target used to ensure that homes are affordable to run be a minimum Energy Efficiency Rating?

Yes.

Q11. Do you agree with the minimum fabric standards proposed in table 3.1?

No answer.

Q12. Do you think that the minimum fabric standards should be set in the Building Regulations or in the Approved Document (as is the current case)?

No answer.

Q13. In the context of the proposed move to a primary energy metric and improved minimum fabric standards, do you agree with the proposal to remove the fabric energy efficiency target?

Yes.

Q14. Do you agree that the limiting U-value for roof-lights should be based on a roof-light in a horizontal position?

No answer.

Q15. Do you agree that we should adopt the latest version of BR 443?

No answer.

Q16. Do you agree with the proposal of removing the fuel factors to aid the transition from high-carbon fossil fuels?

Yes in principle, though we would like to see more information on cost implications.

Citizens Advice understands that this proposal will effectively tighten building standards for new homes that are electrically heated, in order to send a stronger signal to decarbonise. The consultation highlights that the carbon intensity of

grid supplied electricity has significantly reduced in recent years, meaning that the previous inclusion of an allowance (fuel factor) for homes using that power source for heat was resulting in a looser energy efficiency standard than is now justified.

We agree that grid supplied electricity has reduced materially in carbon intensity in recent years, and that this trend is likely to continue. We therefore agree that the removal of fuel factors should improve incentives to decarbonise.

The consultation does not provide costings for this proposal. The affordability of housing is an issue for many, and it will be important for MHCLG to conduct and publish an impact assessment of its cost implications before reaching a final decision.

Q17. Do you agree with the proposed changes to minimum building services efficiencies and controls set out in table 3.2?

Yes.

Q18. Do you agree with the proposal that heating systems in new dwellings should be designed to operate with a flow temperature of 55°C?

Yes.

Q19. How should we encourage new dwellings to be designed to operate with a flow temperature of 55°C?

Option a - by setting a minimum standard.

A minimum standard is easier to follow and compliance is easier to monitor.

Q20. Do you agree with the proposals to simplify the requirements in the Building Regulations for the consideration of high-efficiency alternative systems?

No answer.

Q21. Do you agree with the proposal to adopt the latest Standard Assessment Procedure, SAP 10?

No answer.

Q22. Do you agree with the proposal to update the source of fuel prices to BEIS Domestic energy price indices for SAP 10.2?

No answer.

Q23. Do you agree with the method in Briefing Note – Derivation and use of Primary Energy factors in SAP for calculating primary energy and CO2 emissions factors?

No answer.

Q24. Do you agree with the removal of government Approved Construction Details from Approved Document L?

No answer.

Q25. Do you agree with the proposal to introduce the technology factors for heat networks, as presented in the draft Approved Document?

No answer.

Q26. Do you agree with the removal of the supplementary guidance from Approved Document L, as outlined in paragraph 3.59 of the consultation document?

No answer.

Q27. Do you agree with the external references used in the draft Approved Document L, Appendix C and Appendix D?

No answer.

Q28. Do you agree with incorporating the Compliance Guides into the Approved Documents?

No answer.

Q29. Do you agree that we have adequately covered matters which are currently in the Domestic Building Services Compliance Guide in the new draft Approved Document L for new dwellings?

No answer.

Q30. Do you agree that we have adequately covered matters which are currently in the Domestic Ventilation Compliance Guide in the new draft Approved Document F for new dwellings?

No answer.

Q31. Do you agree with the proposals for restructuring the Approved Document guidance?

No answer.

Q32. Do you agree with our proposed approach to mandating self-regulating devices in new dwellings?

Yes.

Q33. Are there circumstances in which installing self-regulating devices in new dwellings would not be technically or economically feasible?

No answer.

Q34. Do you agree with the proposed guidance on providing information about building automation and control systems for new dwellings?

Yes.

Chapter 4 Part F Changes

Q35. Do you agree that the guidance in Appendix B to draft Approved Document F provides an appropriate basis for setting minimum ventilation standards?

No answer.

Q36. Do you agree that using individual volatile organic compounds, informed by Public Health England guidelines, is an appropriate alternative to using a total volatile organic compound limit?

No answer.

Q37. Do you agree with the proposed guidance on minimising the ingress of external pollutants in the draft Approved Document F?

No answer.

Q38. Do you agree with the proposed guidance on noise in the draft Approved Document F?

No answer.

Q39. Do you agree with the proposal to remove guidance for passive stack ventilation systems from the Approved Document?

No answer.

Q40. Do you agree with the proposal to remove guidance for more airtight naturally ventilated homes?

No answer.

Q41. Do you agree with the proposal to remove guidance for less airtight homes with mechanical extract ventilation?

No answer.

Q42. Do you agree with the proposed guidance for background ventilators in naturally ventilated dwellings in the draft Approved Document F?

No answer.

Q43. Do you agree with the proposed approach in the draft Approved Document for determining minimum whole building ventilation rates in the draft Approved Document F?

No answer.

Q44. Do you agree that background ventilators should be installed for a continuous mechanical extract system, at 5000mm2 per habitable room?

No answer.

Q45. Do you agree with the external references used in the draft Approved Document F, in Appendices B, D and E?

No answer.

Q46. Do you agree with the proposed commissioning sheet proforma given in Appendix C of the draft Approved Document F, volume 1?

No answer.

Q47. Do you agree with the proposal to provide a completed checklist and commissioning sheet to the building owner?

Yes.

Chapter 5 Airtightness

Q48. Do you agree that there should be a limit to the credit given in SAP for energy savings from airtightness for naturally ventilated dwellings?

Yes.

Q49. Do you agree that the limit should be set at 3m3/m2.h?

No answer.

Q50. Is having a standard level of uncertainty of 0.5 m3/m2.h appropriate for all dwellings undergoing an airtightness test?

No answer.

Q51. Currently only a proportion of new dwellings are required to be airtightness tested. Do you agree with the proposal that all new dwellings should be airtightness tested?

Yes.

Q52. Currently, small developments are excluded from the requirement to undergo any airtightness tests. Do you agree with including small developments in this requirement?

Yes.

Q53. Do you agree that the Pulse test should be introduced into statutory guidance as an alternative airtightness testing method alongside the blower door test?

No answer.

Q54. Do you think that the proposed design airtightness range of between 1.5 m3/m2.h and the maximum allowable airtightness value in Approved Document L Volume 1 is appropriate for the introduction of the Pulse test?

No answer.

Q55. Do you agree that we should adopt an independent approved airtightness testing methodology?

Yes.

Q56. Do you agree with the content of the CIBSE draft methodology which will be available via the link in the consultation document? Please make any comments here.

No answer.

Chapter 6 Compliance, Performance and Providing Information

Q57. Do you agree with the introduction of guidance for Build Quality in the Approved Document becoming part of the reasonable provision for compliance with the minimum standards of Part L?

Yes. It is important that the performance gap is closed. It is reasonable for people to expect their homes to perform as expected. As we move to low carbon heating systems that people either have less choice over or that have higher costs per unit of energy then it becomes more important than ever that homes perform as efficiently as possible. In addition, government should be seeking to minimise the number of homes that will require retrofitted measures to deliver carbon reductions in an effort to drive down the costs of the net zero carbon transition.

Q58. Do you have any comments on the Build Quality guidance in Annex C?

No answer

Q59. Do you agree with the introduction of the standardised compliance report, the Building Regulations England Part L (BREL) report, as presented in Annex D?

Yes.

Q60. Do you agree with the introduction of photographic evidence as a requirement for producing the as-built energy assessment for new dwellings?

Yes.

Q61. Do you agree with the proposal to require the signed standardised compliance report (BREL) and the supporting photographic evidence to be provided to Building Control?

Yes.

Q62. Do you agree with the proposal to provide homeowner with the signed standardised compliance report (BREL) and photographic evidence?

Yes. Consumer confidence is going to be critical to the effective delivery of net zero and transparency with homeowners can only help. This will be especially important with the installation of new low carbon heating systems that are still relatively unknown.

Q63. Do you agree with the proposal to specify the version of Part L that the home is built to on the EPC?

Yes.

Please explain your reasoning.

Same as the reasoning for the question above (62).

Q64. Do you agree Approved Document L should provide a set format for a home user guide in order to inform homeowners how to efficiently operate their dwelling?

Yes. This will be very important as we move to new home energy technologies that householders are unfamiliar with.

The early findings from our current research into the support homeowners need for low carbon technologies in their homes has shown consumers are keen to have ongoing support and guidance. In particular consumers are keen to have something to support their ongoing use of their low carbon technology to either use it correctly or most efficiently to allow their home to be the most energy efficient. This could include support such as a user guide and suggestions for an annual audit or follow up were also common themes in the research. In some cases consumers would prefer an initial follow up after installation to ensure they were using the technology at its optimum conditions. Consumers responded positively to these support suggestions and often wanted information readily and easily available when looking into the options for low carbon technologies in their homes.

The research also shows that there is a general expectation that householders would get some kind of supporting paperwork with any of these bigger purchases of low carbon home technologies e.g. the same as if a consumer had a boiler installed and was given paperwork from the manufacturer. However, the role of this is more about reassurance, professionalism, proof of works than using it to provide ongoing as a support.

Consumers we've spoken to as part of this research also feel installers should have a a duty of care to the customer to ensure that the technology is achieving what it intended to achieve eg. being able to check EPC's or bills to see if the new technology is efficient. This was seen in the context of the cost-saving, energy use reduction and environmental benefits that the technology is marketed under and allowing the householder to get confirmation it delivering against them.

Lastly, the research also highlights that consumers were strongly concerned with trouble-shooting/problem fixing when something went wrong with their technology. They want to be able to look back at their purchase documents/warranty and know where to go for help and how to find someone to fix their problem. A user guide on energy efficiency for homeowners should also signpost consumers where to go for help when problems occur in their home to their heating source in their home.

Chapter 7 Transitional Arrangements

Q65. Do you agree that the transitional arrangements for the energy efficiency changes in 2020 should not apply to individual buildings where work has not started within a reasonable period – resulting in those buildings having to be built to the new energy efficiency standard?

Yes – where building work has commenced on an individual building within a reasonable period, the transitional arrangements should apply to that building, but not to the buildings on which building work has not commenced.

The reasonable period that building work should have begun in is 18 months.

Q66. Do you foresee any issues that may arise from the proposed 2020 transitional arrangements outlined in this consultation?

No.

Q67. What is your view on the possible transitional arrangements regarding changes to be made in 2025?

Chapter 8 Feedback on the Impact Assessment

Q68. The Impact Assessment makes a number of assumptions on fabric/services/ renewables costs, new build rates, phase-in rates, learning rates, etc for new homes. Do you think these assumptions are fair and reasonable?

No answer.

Q69. Overall, do you think the impact assessment is a fair and reasonable assessment of the potential costs and benefits of the proposed options for new homes?

No answer.

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Published February 2018

Citizens Advice is an operating name of The National Association of Citizens Advice Bureaux.

Registered charity number 279057.