

All-Party Parliamentary Group for Excellence in the Built Environment Inquiry into Sustainable Construction and the Green Deal – Call for Evidence

Response from the All-Party Parliamentary Group for the Roofing Industry

January 2013

All-Party Parliamentary Group for Roofing

The APPG, chaired by Rt. Hon David Hanson MP and advised by the National Federation of Roofing Contractors (NFRC), was established in 2005 to raise awareness of the roofing industry in Parliament, to liaise with Government and Opposition regarding policy development and to ensure where necessary the expert advice of industry representatives is used by Civil Servants and other advisors. Key industry issues of concern to the industry include the Green Deal, Feed-in Tariffs, payment practices, apprenticeships and training, health and safety, and accreditation schemes for tradesmen.

The National Federation of Roofing Contractors (NFRC)

The NFRC consists of 1000+ roofing companies and 160 manufacturing companies, including some of the largest roofing manufacturers in the construction industry, and represents 70% of the roofing market by value. It works to offer support, guidance and training to its members involved in domestic, commercial and industrial roofing. The organisation is represented on the Installer, Accreditation and Qualification Forum and the Green Deal Task Group.

Response

The Green Deal is one of the most important Government initiatives to affect the roofing industry for many years, and one which could have significant benefits for Sustainable Construction in the UK. The APPG is broadly supportive of the Green Deal scheme, but believes that without Government support and incentives, domestic property owners are unlikely to consider the initiatives offered. However, use of a stringent Code of Practice will help to boost consumer confidence and will encourage independent and informative assessments and a high quality of work to be completed under the Green Deal.

There are many elements within the Green Deal that the APPG supports, and which will help ensure best practice and good levels of take-up. These include:

- ***The use of a Competent Persons Scheme to ensure certification of subcontractors.*** The APPG maintains that it is vital that qualified installers are used to conduct necessary Green Deal work. Use of the Competent Persons Scheme (in addition to TrustMark) will help to ensure competence and consumer protection. This means that consumers will receive peace of mind, knowing that the work will be of a minimum standard. The Government must ensure that Trade Bodies who provide Competent Persons Schemes administer these schemes effectively and make regular checks on members' work, to ensure the success of the Green Deal.
- ***The use of a Green Deal Quality Mark on all marketing and identification documents.*** This will help to prevent exploitation under the scheme and inhibit rogue traders from operating. It will also provide a Green Deal 'brand' that consumers can easily recognise, and assist with take-up.

- **A duty on Certification Bodies to have effective sanctions in place for dealing with non-compliance by members.** The APPG believes that any sanctions should be punitive and clearly publicised to deter those who wish to take advantage of the scheme. Certification Bodies that do not fulfil this duty, including maintaining technical compliance, should also be punished by the Oversight Body, if necessary being removed from the Register of approved Green Deal Providers.

Despite these encouraging and necessary provisions, the APPG has a number of concerns over Sustainable Construction and the Green Deal as it is planned. These are:

- **Payment Practices.** Late payment is a huge problem for the construction industry, and a major barrier to subcontractors the sector. The Code of Practice refers to the Prompt Payment Code (PPC), and the requirement for Providers to undertake to pay suppliers on time in accordance with the PPC, which is a step in the right direction. However, the APPG is concerned over the inclusion of the words '*where possible*', and strongly believes that all Green Deal Providers must adhere to the Government's 30 day payment promise through the entire subcontractor chain. Adherence to this should be included in any contract, so non-payment is legally enforceable, and clear penalties should exist for Providers who break it. Regular checks need to be put in place to enforce this, possibly taking the form of a 'mystery shopper'-style scheme, which must operate beyond the third tier of the supply chain to ensure fair payment throughout. Schemes such as this have worked well in the past. We would therefore hope that awareness of secret inspection mechanisms would improve cash flow, with the threat of expulsion from the Register of approved Green Deal Providers if a Provider is unable to adhere to the PPC.

The culture of late payment within the construction industry is far more pervasive than in many others, and is deep rooted in both public and private sectors. A particularly common occurrence in the construction industry is the withholding of retention monies, which are regularly kept from the supply chain by contractors after work is completed, to be repaid at a later date. In the last quarter, only 5% of specialist roofing contractors received payment in full within 30 days, 73% were paid between 30 and 60 days, and an unacceptable 22% still have to wait for over 60 days. Some are never paid in full for their work. In the case of the Green Deal, the APPG would advocate the holding of finance independently, to be made accessible to the Installer as soon as work is completed, which would render late payment an irrelevant issue in this case.

- **Poor Quality Homes.** Poor quality homes remain a deep concern to the roofing industry. Improvement of the housing stock therefore must remain a top priority. This is directly linked to the Green Deal and construction of sustainable homes; if properties are not properly insulated then calculated savings will not be realised and housing quality will not be sufficiently high as to ensure long-term sustainability. Properties need to be well maintained in order to reap the maximum benefit of the Green Deal. It is vitally important that Assessors must be correctly trained and qualified to advise the consumer on the work needed on the whole of the property, including insulation. Likewise, Competent Persons Schemes such as CompetentRoofer for roofwork and insulation are important mechanisms to ensure quality in construction. These are embedded in, and are a basic requirement of PAS 2030, which ensures that installers are trained, competent, inspected and legally authorised, and that their work would meet the requirements of the Green Deal and importantly, building regulations in general.

Attempts to get households to Level C in their Energy Performance Certificate ratings are one positive step towards improving the overall quality of homes and energy efficiency standards. However, the APPG is concerned that energy performance ratings are not readily understood by the public, especially with regards to what the different rating levels mean and involve. The APPG suggests that the Government should provide more information, which can be easily

understood by the public, to inform them specifically about energy efficiency ratings and the wider benefits of improving the quality of their homes and the financial savings this could bring.

- ***The independence of Green Deal Assessors.*** The APPG strongly believes that Green Deal Assessors should be 100% independent, with no links to anyone else in the supply chain, and has a very strong concern that the some Green Deal Assessors could not be seen as truly independent if they also work for Green Deal Providers. However, as assessors can be linked to both providers and installers, DECC must ensure that the advice provided to consumers is impartial and free from commercial constraints, and that the requirement for disclosure of any commission received and any links to third parties is always adhered to, thus achieving complete transparency in the system. The Government must have a clear system to ensure that consumers are able to make the distinction between all their choices and also that SMEs are not eclipsed by larger providers. A further mechanism for inspections of assessors should be through a secret shopper scheme, where assessors would not be aware that their assessment was being inspected by a 'consumer'. The APPG also believes that, while standard assessment work will be acceptable in the majority of cases, specialist support must be on hand for an Assessor should this be needed, so as not to impose unnecessary limitations on the sustainability of construction.
- ***Provisions for SMEs to be involved in the Green Deal.*** DECC have stated that they are keen that smaller companies benefit from the Green Deal. However, there are few provisions in the Green Deal that encourage this. For example, allowing Green Deal Assessors and Providers to have commercial ties could make it difficult for SMEs to access Green Deal contracts. One possible solution (which would also give customers greater choice in their Provider) would be to set up a system that presents consumers with a list of Green Deal Providers and Installers based on proximity to the property's address, once the consumer has received an Assessment. This would allow larger and smaller companies to be part of this list. Ensuring SMEs are involved in sustainable construction will ensure far greater futurity, and encourage investment at all levels of the construction and specialist contractor industries.
- ***Insufficient public awareness of the Green Deal.*** One of the APPG's main concerns is that without Government support and incentives, domestic property owners are unlikely to consider home improvement and microgeneration initiatives due to lack of knowledge and awareness of the benefits, in addition to financial constraints. This would prove to be a major barrier to sustainable construction. What is abundantly clear is that the Green Deal is not currently well known enough amongst consumers. It is therefore vital that the Government ensures sufficient uptake of the Green Deal and similar Energy Efficiency schemes by devising a strong publicity campaign to effectively promote the Green Deal and its many benefits. Without this, it is likely that the Green Deal will only play a minor rule in Government efforts to meet ambitious carbon reduction targets and sustainable homebuilding quotas.
- ***Consumer Protection.*** In addition to a nationwide publicity campaign, information should also be produced for consumers which highlights the Green Deal Advice Line and website to ensure that the public are well informed about the obligations and protections that the Green Deal Code of Practice sets out. This would also help encourage transparency from Assessors and minimise the risk that consumers are exploited under the scheme. It will also minimise the risk of low take up as a consequence of consumers failing to trust in the advice given. The APPG would also be interested to know what powers the Ombudsman will have to make sure that a Green Deal Assessor or Provider has their accreditation removed, if the Ombudsman believes that they do not meet the required standards. Additionally, the APPG believes that information on industry standards such as Competent Persons Schemes and TrustMark should be automatically given to consumers by the Assessor. Ensuring high levels of customer protection will help ensure a high level of Green Deal confidence, subsequently benefitting the sustainable construction industry.

- **Commercial and Industrial work.** While the attention of government is correctly on the Green Deal and the domestic market it should be borne in mind that the Green Deal will potentially have a significant effect on the commercial and industrial market. Factories and what are termed 'big sheds' by the industry are normally clad on the outside of the building with insulation so as not to limit factory space inside or stop production. This work is completed by industrial roofers to roofing Minimum Technical Competences (MTC). Within the next 5 years all older buildings will need to be upgraded to fit the sustainability agenda if the owners wish to continue renting them out. An early system of awareness, education and inclusion of the Green Deal to owners of such buildings and to the industry needs to be considered.

Conclusion

The APPG for the Roofing Industry would like to emphasise the importance of both the practicality and the credibility of the Green Deal scheme to ensure that the scheme runs smoothly for consumers and that exploitation under the scheme is minimised. The APPG believes that the Code of Practice and continuing Government support and publicity is the key to ensuring both consumer confidence in the Green Deal and that the standard of advice and workmanship remains solid.

The APPG is committed to helping the Government create the machinery necessary for the Green Deal to be a success. The Green Deal has great potential for making a positive impact on both the roofing industry and on the wider construction sector, as well as on consumers who sign up to the deal. A successful, widely-subscribed-to, Green Deal will help to push forward progress on sustainable home construction and meeting Government carbon reduction targets.

The APPG looks forward to the results of the Inquiry, and would be very pleased to offer a witness to present oral evidence in the meantime.

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