

Briefing Note

Overview of Green Deal Installer
Accreditation & Qualification requirements



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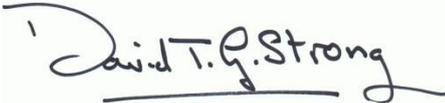
Acknowledgement:

David Strong Consulting gratefully acknowledges support provided by the National Insulation Association to enable the preparation of this Briefing Note.

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Date: 19th December 2011

Revision History

Issue	Date	Nature and location of change
01	25 th Nov. 2011	First Created
02	19 th Dec. 2011	Revision 1

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Overview of Green Deal Installer Accreditation & Qualification requirements

What is the Green Deal?

The “Green Deal” is the Government’s flagship initiative to stimulate the installation of energy saving/carbon abatement measures in homes and non-domestic buildings. The Green Deal and ECO framework has been designed by Government to address the existing market failures and barriers associated with the poor take-up of energy efficiency measures.

Put simply, the Government is establishing a framework to enable private firms to offer consumers energy efficiency improvements to their homes, community spaces and businesses at no upfront cost, and recoup payments through a charge in instalments on the energy bill.

At the heart of the Government’s proposals is the “Green Deal plan”, an innovative financing mechanism which allows consumers to pay back through their energy bills. This means consumers can see the Green Deal charge alongside the reductions in energy use which generate savings on their bill. It also means that if they move out and cease to be the bill-payer at that property, the financial obligation doesn’t move with them but moves to the next bill payer: the charge is only paid whilst the benefits are enjoyed. In this way, the Green Deal differs from existing lending – it is not a conventional loan since the bill-payer is not liable for the full capital cost of the measures, only the charges due whilst they are the bill-payer. This is a market mechanism, funded by private capital, which we believe will deliver far more to consumers than any sort of top-down Government programme.

The existing CERT and CESP schemes will be replaced by a new Energy Company Obligation (ECO). The ECO will enable energy saving measures to be installed in vulnerable and fuel poor households so that they can fall within the scope of the Green Deal. There is considerable anxiety that the termination of the existing CERT & CESP schemes could result in a major reduction in funding associated with the installation of insulation and other energy saving measures, if the take-up of the Green Deal is slower than anticipated by Government.

The role of the Green Deal provider is to offer a Green Deal plan to customers, which enables them to finance work recommended by an accredited adviser and undertaken by an accredited installer. These functions might be done in-house by the provider, or shared amongst other organisations, but the customer’s contractual relationship is with provider.

In summary, the Green Deal is a regulatory framework enabling companies to offer householders:

- a government backed remote information and advice service;
- accredited and impartial advice and assessment of properties;
- an accreditation framework for measures and products;
- supply chain analysis, and intervention to help create capacity;



- an accreditation framework for finance providers;
- low cost finance for energy efficiency measures
- support through ECO for owners of hard to treat properties who might otherwise not be able to take up Green Deal finance
- support through ECO for vulnerable and low income households for whom energy performance improvements would help heat their homes more affordably;
- consent, disclosure and acknowledgement of Green Deal measures;
- an accreditation framework for installers;
- provision for collection of finance repayments through the electricity bill and remittance to Green Deal providers or nominated finance providers;
- partnerships and localised delivery of the Green Deal and ECO to ensure that Green Deal finance and ECO support are seamlessly combined behind the scene;
- a consumer protection regime to ensure that consumers are protected at every stage through the Green Deal and ECO journey;
- ECO targets set at a level that will enable delivery against Government's objectives without overburdening energy companies and bill payers and;
- monitoring and evaluation to inform future policy development.

The Golden Rule

The Golden Rule is the fundamental principle underpinning the Green Deal. It limits the amount of Green Deal finance a provider can offer to the estimated energy bill savings resulting from the installation of measures under the Green Deal plan. The Golden Rule principle helps ensure that a Green Deal customer can reasonably expect their overall energy bill to be no higher than they would have otherwise been without a Green Deal, provided their energy consumption pattern does not increase.

The Green Deal and Eco

The Green Deal will ensure that households do not face an upfront cost to improving energy efficiency of their home. The ECO Carbon Saving target will provide additional support alongside the Green Deal for hard to treat homes requiring measures which include Solid Wall Insulation (SWI).

The Green Deal Consultation suggests that the ECO will result in an investment in Green Deal energy efficiency measures equivalent to £1.3bn/annum.

The Eco Affordable Warmth Obligation

ECO Affordable Warmth obligation will focus on providing support to low income households, identified by their entitlement to certain means tested benefits and tax credits, who are also vulnerable to detrimental health impacts from living in cold homes. Eligibility for the Affordable Warmth obligation is intended to be further focused on private tenure properties where energy efficiency standards are lowest and there are fewer alternative forms of support.



Solid wall insulation as seen by government as a “key technology” and it proposes that “the ECO Carbon Saving Obligation should **only support solid wall insulation, or packages of measures which include solid wall insulation**, and that where a package is delivered, the solid wall insulation must improve at least 50% of the exterior walls of the property which at the time of the installation are capable of receiving such treatment.” This requirement is an issue of considerable concern for many observers, who suggest that the installation cavity and loft insulation will decline dramatically (despite these measures providing a lower carbon abatement cost than solid wall insulation). Given the government’s ambition to rapidly increase the number of solid wall insulation installations, there are also major concerns regarding the lack of suitably qualified and experienced installers.

What the Green Deal is not!

The Green Deal is not:

- A grant scheme
 - No public funds are available to support the Green Deal (except for a £200m pump-priming fund to provide a time-limited introductory offer to boost early take-up)
 - It is entirely a market based mechanism
- A scheme which provides guaranteed savings
 - The predicted savings are not guaranteed!!!
- An additional charge on the gas bill
 - Green Deal payments will be applied to the electricity bill only (even though most of the savings will be heating/gas related)

Implications for Installers

Once a property has had an assessment and the finance for measures has been approved, installation is the next step. The Green Deal and ECO will ensure robust standards and quality of installation of energy efficiency measures to households and businesses. Certification of installers is an essential element of this.

The standards and accreditation framework for installers is proposed to ensure that all work is completed to a high standard and that consumers can expect the same level of technical expertise, customer care and protection regardless of the installer.

Government proposes to make it mandatory for an installer to be authorised to operate under the Green Deal and ECO and to have been certified to have met a new Green Deal standard. Installers will need to carry the Green Deal Mark, take full responsibility for the quality of work and comply with the requirements set out in the Green Deal Code of Practice.

Green Deal Code of Practice The Green Deal Code of Practice sets out the criteria that assessors, products and systems, installer and providers must meet and adhere to in order to be able to operate under the Green Deal banner



The British Standards Institute (BSI) is currently developing the installer standard with DECC and industry representatives (including the NIA) and this is scheduled to be published in January 2012 as Publicly Available Specification (PAS) 2030. The installer standard brings together existing standards in one place to ensure greater clarity and consistency of approach, as well as robust levels of monitoring and compliance.

The Government proposes to implement the standard through certification bodies with a view to minimising burdens and costs by using existing structures. They intend to introduce independent third party accreditation of the certification bodies to ensure robust and consistent application of the new standard. Once accredited, certification bodies will be responsible for ensuring installers meet the Green Deal standard and comply with the Code of Practice with an Oversight Body acting, or recommending Secretary of State action where necessary. PAS 2031 will set out the certification process against PAS 2030.

BSI PAS Standard 2030

Publicly Available Specification (PAS) is a DECC sponsored fast-track standard driven by the needs of the client organizations and developed according to guidelines set out by the British Standards Institute.

Customers will lodge any complaints on installations with their Green Deal Provider who is contractually responsible to the customer for the improvements. Government are proposing that all Green Deal and ECO installations should be underpinned by a comprehensive scheme of insurance backed guarantees, warranties and redress procedures should anything go wrong.

Green Deal Installers

Only an authorised Green Deal Installer can install energy efficiency improvements under the Green Deal finance mechanism. Only authorised installers will be able to identify themselves as 'Green Deal Installers' and use the Green Deal Mark. There is nothing to prevent an individual or firm from seeking authorisation as both an installer and an assessor or provider; there are also a variety of options for partnering with other persons who are accredited to undertake these functions. However, this authorisation only covers installers to fulfil the installation functions of the Green Deal. This functional approach allows for a flexible and diverse set of business models to emerge in the market rather than restricting access to those firms who can undertake all three authorised functions.



A person or organisation will only be authorised as a Green Deal installer if they:

- are certified by an accredited certification body against the relevant Green Deal standard set out in the Code of Practice;
- are a member of the certification body which certified them;
- agree to comply with the Code of Practice;
- have agreed to keep clear records of work done and allow monitoring of installation work when requested.

Government propose that Green Deal installer authorisation will be reviewed on an annual basis, on the date the installer was first authorised. They propose that the accredited certification body would be required to provide the Oversight Body (see below) with the relevant information on its certified members, and therefore it would need to provide this information annually, to ensure its certified members maintained authorisation. The information that the accredited certification body must provide to the oversight body is detailed in the draft regulations.

Installer Code of Practice

The proposed Code of Practice specifies certain requirements that installers and other Green Deal participants will have to comply with in order to operate under the Green Deal and ECO. This will help ensure that customers receive a good standardised service. Specific requirements may vary depending on the type of green deal participant, but many aspects will apply across the board. Specific requirements will include the following:

- The standard installers will need to meet and the requirement for them to be certified through accredited certification bodies.
- The duties of accredited certification bodies in relation to the Green Deal.
- Rules relating to the marketing of the Green Deal, to ensure that customers are not subject to unfair or misleading selling practices.
- Requirements for monitoring and enforcing standards, including processes for dealing with redress
- Requirements for the provision of appropriate insurance-backed warranties/guarantees to cover the work carried out.

Certification of Installers

In order to minimise the burden on the sector, Government is proposing to accredit the existing trade certification bodies to act as installer certification bodies. These bodies already operate in the market to set standards for those they certify. This will allow Green Deal accredited certification bodies to continue to operate and certify installers to the new standard, thereby permitting them to become authorised Green Deal installers and use the quality mark.

UKAS will carry out assessments of certification bodies to ensure they meet the requirements of the installer standard. UKAS will charge certification bodies for this service (which is normal industry practice). Certification bodies can pass on these costs to their members as they see fit as part of their normal certification fees.



National Occupation Standards

NOS describe what an individual needs to do, know and understand in order to carry out a particular job role or function. They are national because they can be used in every part of the UK. Occupational because they describe the performance required of an individual when carrying out functions in the workplace, i.e. in their occupation (as a plumber, police officer, production engineer etc.). They are Standards because they are statements of effective performance which have been agreed by representative sample of employers and other stakeholders and approved by the UK NOS Panel.

Training and qualifications of installers

A new draft installer standard brings together the many different standards for installations that already exist. Government has appointed the British Standards Institute to produce the final standard for installations by January 2012 as a key element of PAS 2030. In many cases they envisage installers will be able to meet the relevant requirements of the standard already, though some will require top-up training on areas specific to the Green Deal and/or the development of new or revised National Occupation Standards (NOS).

The following three Sector Skills Councils (SSCs) are working together as part of the Green Deal Skills Alliance (GDSA) to ensure the correct skills are in place for the Green Deal:

- Asset Skills – Green Deal Energy Advice.
- ConstructionSkills – Green Deal Installers, covering insulation and building fabric.
- SummitSkills – Green Deal Installers, covering environmental technologies and building engineering services.

The National Occupational Standards for insulation and building treatments are being reviewed between November 2011 and March 2012 and amended to reflect current best practice. The occupational areas covered by the review include:-

- cavity wall insulation
- loft insulation
- solid wall insulation
- internal insulation
- external wall insulation
- cavity wall tie replacement
- insulating framed sections of buildings
- wood preserving and damp-proofing



Qualifications and Credit Framework (QCF) type qualifications include:

- Level 2 NVQ Certificate in Insulation and Building Treatments
 - loft insulation, cavity wall insulation, external wall insulation, draught-proofing, internal insulation, insulating framed sections
- Level 2 NVQ Diploma in Insulation and Building Treatments
 - wood preserving and damp proofing, cavity wall tie replacement

In March 2011 the Government announced the creation of up to 1000 Green Deal Apprenticeships. The Green Deal Consultation states that Government are working with the National Insulation Industry, INCA and others to ensure that there is an appropriate training infrastructure in place, and that the 1000 Green Deal apprenticeships announced in the Budget 2011, can be fully utilised.

Employment of a Green Deal Installer

A Green Deal installer may be engaged in number of ways (see diagram below). For the purposes of the Green Deal Government has tested their approach against the following potential business models to ensure installers have fair access to the market – whether they are sole traders, SMEs or large organisations:

- A salaried employee of the Green Deal provider;
- Sub-contracted on a per-job basis by a Green Deal provider;
- An independent Green Deal installer commissioned directly by a consumer



Installer employment options

Warranties and Guarantees

It is intended that Green Deal Providers will have to provide an appropriate insurance backed guarantee/warranty to their customers. Government is currently working with the insurance sector to determine how this will work in practice, but they also intend to set out reasonable minimum requirements for the quality of installations in the Code of Practice.

Green Deal providers would be able to offer a package of measures with different assured



lifetimes for each measure. In this instance, Green Deal providers would be required to stagger payments over the plan to correlate with the lifetime of the warranty for each measure.

Ensuring full protection for customers throughout the lifetime of the plan is the most desirable policy, however, government is aware this extends normal industry practice and could be costly and burdensome for Green Deal providers. This policy could also artificially limit repayment periods which would have implications for eligibility of measures under the Golden Rule. The Green Deal Consultation is seeking comments on this proposal along with evidence on likely costs and benefits and alternative suggestions on ways to ensure that customers are adequately protected against measures failing.

Product Assurance

The product assurance requirements for the launch of the Green Deal and the ECO will not go beyond what is needed to help ensure that products installed with Green Deal finance are safe, durable and perform as intended. The proposed approach is to rely on existing standards, frameworks and legislation as far as possible, and to drive innovation.

The Green Deal Code of Practice will require products installed with Green Deal finance (including ECO support) to meet all relevant legal requirements such as Building Regulations. All products must already comply with existing legal requirements, however by specifying this in the Code of Practice, we are making clear that the requirements in the Code do not supersede or replace existing legal requirements.

The requirements in the Code fall into three main categories:

- The Government intends to make certain practises which industry already routinely carries out, such as CE marking, a Green Deal requirement help maintain standards and make the market for lower quality products less attractive;
- Where products already fall within the scope of another UK certification scheme, such as the product testing requirements in the Microgeneration Certification Scheme (or equivalent), they will have to fulfil the level of testing and certification specified in that Scheme;
- The Government intends to establish a mechanism for demonstrating compliance with the Code of Practice and to help provide greater clarity on which products can be installed with Green Deal finance.

The current draft of PAS 2030 contains 26 Annexes each of which address a specific Green Deal product and system measures detailing:

- Certification of products/materials and “built-up” systems
- Technical criteria for installation
- Installer and system designer competence requirements via appropriate training and qualifications
- Customer conduct and complaint processes
- Provision of warranties to cover work carried out



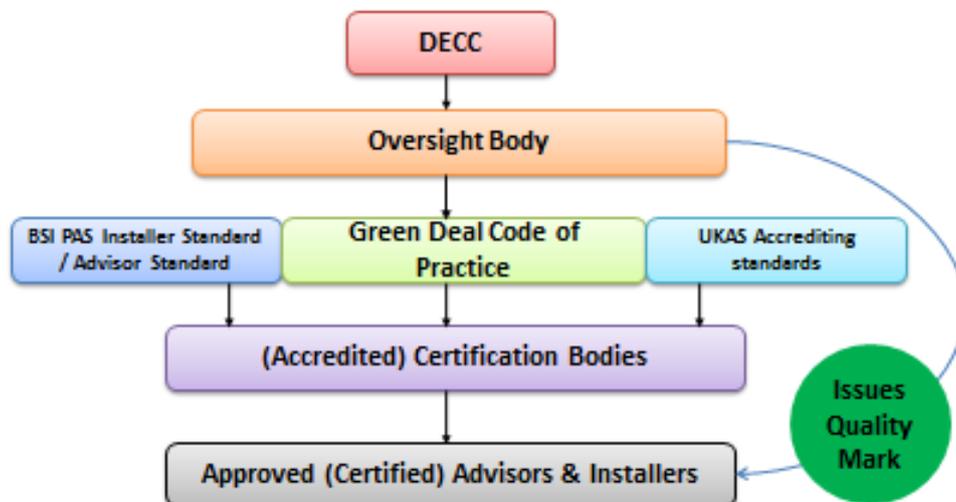
The role of the Oversight Body

Effective oversight of the Green Deal will be essential to ensure there is robust customer protection. It will also enable Government to gain useful information on performance, and market intelligence on future levels of demand and market developments, which can be fed into future policy development to ensure the Green Deal remains relevant and effective in delivering energy efficiency.

There are a number of functions which will need to be managed centrally to cover installers. These include:

- Overseeing the register of authorised Green Deal assessors, products, providers and installers;
- Dealing with applications for authorisation of Green Deal providers;
- Managing and monitoring compliance with the Code of Practice;
- Issuing managing the use of the Green Deal Quality Mark;
- Providing up to date details on authorised assessors, products, providers and installers to the advice line in England and Wales and separately in Scotland;
- Managing advice, referrals and redress when something goes wrong; and
- Overseeing the Green Deal Arrangements Agreement (GDAA).

The Diagram below sets out how, in practice, Government intends to deliver its proposals and ensure robust installer standards under the Green Deal.



Sanctions and redress

It is proposed that customer complaints will be handled by Green Deal providers in the first instance. The intention is that all installers will be required to guarantee the quality of their works for a reasonable period. The Green Deal Provider will decide how best to take forward any complaint. The Green Deal Provider may instruct the installer to complete corrective actions. This may be set out in a contract between the Green Deal Provider and the installer.

If it concerns professional competence of the installer then the Green Deal provider may take the matter to the relevant certification body to investigate. Certification bodies will be required to have procedures in place for dealing with complaints against those they certify, including independent appeals processes. A certification body may remove certification of an installer, in which case the installer would also be removed from the register and no longer be able to install that measure under the Green Deal.

If a certification body fails to take necessary actions, then the Green Deal Provider could appeal to the oversight body. The oversight body has the power to investigate – or instruct UKAS to investigate (as this may be a breach of the accreditation). The oversight body can instruct certification bodies to carry out corrective actions. If the certification body still fails to do this, the oversight body can inform the Secretary of State of a potential breach. It will then be up to the government to decide what action to take under the powers set out in the Energy Act 2011.

Possible alternative installer accreditation models

Two policy options were considered for accrediting installers:

- **Option 1** direct accreditation of individual installers - by asking installers to demonstrate they achieve a Green Deal-specific standard
- **Option 2** independent accreditation of existing trade certification bodies (rather than individual installers), who already certify their members to current standards, to a new Green Deal-specific standard.

While **Option 1** would offer the highest level of accreditation and assurance, it would also be the most burdensome and time consuming if every individual installer has to be accredited. The Green Deal Consultation suggests that Government has decided that this would be disproportionate and is also likely to be the most costly approach (and create a potential barrier to entry – particularly for SMEs) and their preferred option is **Option 2**. There are currently around 35 certification bodies representing some 900,000 installers, covering trades which are likely to be covered by the Green Deal. Government claims that this would significantly reduce bureaucracy, timescales and potentially costs. Once accredited, it would be the responsibility of certification bodies to ensure their members meet the Green Deal standard and Code of Practice.

Carding of operatives

A DECC industry Working Group is currently developing proposals for the Carding of all operatives employed by Green Deal installers. The majority of prospective Green Deal providers and most sector Trade Associations are calling for the introduction of Carding as the most effective and robust mechanism for delivering the highest possible standards of installation and consumer protection.





Although the Green Deal will be launched on the basis of certifying installer companies (i.e. in accordance with BS EN 45001) it is likely that transitional arrangements will be introduced which will result in all Green Deal installers being required to employ Carded operatives by 2015 (at the latest). This requirement will be problematic for some sectors and could require the development new National Occupational Standards and/or procedures for demonstrating proof of competence.

Many sector organisations have either developed (or are in the process of developing) Carding systems for operatives. However, HSE research report 877 <http://www.hse.gov.uk/research/rrhtm/rr877.htm> commissioned by CITB-ConstructionSkills in partnership with the HSE and published in 2011 identifies the following issues associated with existing schemes:

- Cards/schemes are available for almost all occupations
- Research has identified **40** industry card and certification schemes
- Taken together, more than **300** distinct levels and categories of card
- Some **2.6 million** cards in circulation for a non-professional workforce of c1.8 million

- Of **313** cards for which information was obtained, only **12** were found to be uniquely available through qualification-only routes

- Of the **183** cards for which detailed information was provided:
 - **19** make no reference to H&S
 - **87** mention H&S but have no special requirements
 - **5** embed H&S in an associated qualification
 - **72** have some specific requirement, e.g. Safety test

It is important to note that of 313 different card schemes, 301 of them could be obtained without any form of qualifications. Some cards require NVQs but there are often multiple routes to entry which enable individuals to obtain cards without qualifications. As a consequence many observers maintain that Carding has become devalued, since it is often not possible to determine which individual holding the same card is qualified and which one is not.

Without a unified strategy and vision (and without legislation to support scheme requirements similar to those adopted by Gas Safe) there is a danger that Carding will become further devalued. Some experts suggest that some Carding schemes already nothing more than a tokenistic site pass (i.e. something that gets you past the gate).

If Carding is to be introduced as part of the Green Deal Quality Assurance framework, it is essential that the short-comings of some existing and Carding systems and Competent Person Schemes are comprehensively addressed. This will ensure that only those that have received sufficient training and have demonstrated that they are genuinely competent by independent assessment, are eligible to install (and sign-off) installations as fully being compliant with PAS 2030 requirements.



About David Strong Consulting

David Strong is an internationally recognised expert in sustainable building design and refurbishment. He has a wealth of knowledge associated with the low/zero carbon buildings and is a specialist in whole system thinking, building physics and integrative design.

Between May 2007 and September 2010, David Strong was Chief Executive of Inbuilt Consulting Ltd specialising in sustainable building design, consultancy and research. He is also a Visiting Professor at the University of Nottingham, School of the Built Environment. He is currently a Director of David Strong Consulting Ltd.

Between 1998 and 2007 he was Managing Director of BRE Environment with responsibility for five major centres of expertise; Sustainable Development, Housing, Sustainable Energy Centre (formerly BRECSU with responsibility for delivering the UK governments Energy Efficiency Best Practice Programme), Environmental Consultancy and the BREEAM Centre. Prior to this he was an Executive Director of; E A Technology (formerly the Electricity Research Centre, Capenhurst), Emstar (formerly Shell's contract energy management company, now Dalkia) and W S Atkins and Partners, Epsom.

Originally a graduate of Bath University in Building Engineering, he was awarded a doctorate by Oxford University in 1980.

He currently chairs the Energy Efficiency Partnership for Homes and a Ministerial Advisory Group on Installer Accreditation and Qualification associated with the government's Green Deal. He also chaired the Zero Carbon Hub's Working Group on Carbon Compliance Tools and he sits on the UK PassivHaus Trust Advisory Board. David is Chairman of the EU Energy Performance of Buildings Directive Implementation Advisory Group (DIAG) and acts as a special advisor to the European Commission on energy demand issues. In 2007 he chaired the Quality of Life Challenge, Built Environment Group. He is a member of the 2012 Olympic Village and Stratford City Environment Review Panel.

He was presented with the 2007 Building Sustainability Leadership award for establishing the UK Green Building Council, with the judges describing him as "one of the most influential figures in the drive to make the industry sustainable".

For further information see www.davidstrong.co.uk

