

School of Earth and Environment

Sustainability Research Institute



Owen 6-195-15

'Missing the Point – the challenge of creating policies and programmes that tap into the motivations of the builders and installers'

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Panel 6 theme “What are the upcoming implementation challenges and how can these be addressed?”



Image source: www.startwoodworking.com

Key ideas:

- Construction SMES / microenterprises are important in delivering comprehensive retrofit of existing buildings
- Policymakers see SMEs as key drivers of growth – but also see them as “hard to reach”
- SMEs / microenterprises have drivers and motivations that do not align with economic growth
- SMEs / microenterprises work in networks

What would policy look like if it worked “with the grain” of constructions SME’s / microenterprises?

Part 1: Retrofit and construction SME/micro-enterprises:

What do they do? What could they do?

Why – what are their drivers?

How do their networks operate?

Part 2: Policy and construction SME/micro-enterprises

What's the policy focus?

How can policymakers access these firms?

Part 3: FOR DISCUSSION!

What areas of policy might bring two parallel tracks together?

Who are construction SMEs/micro-enterprises in
retrofit?

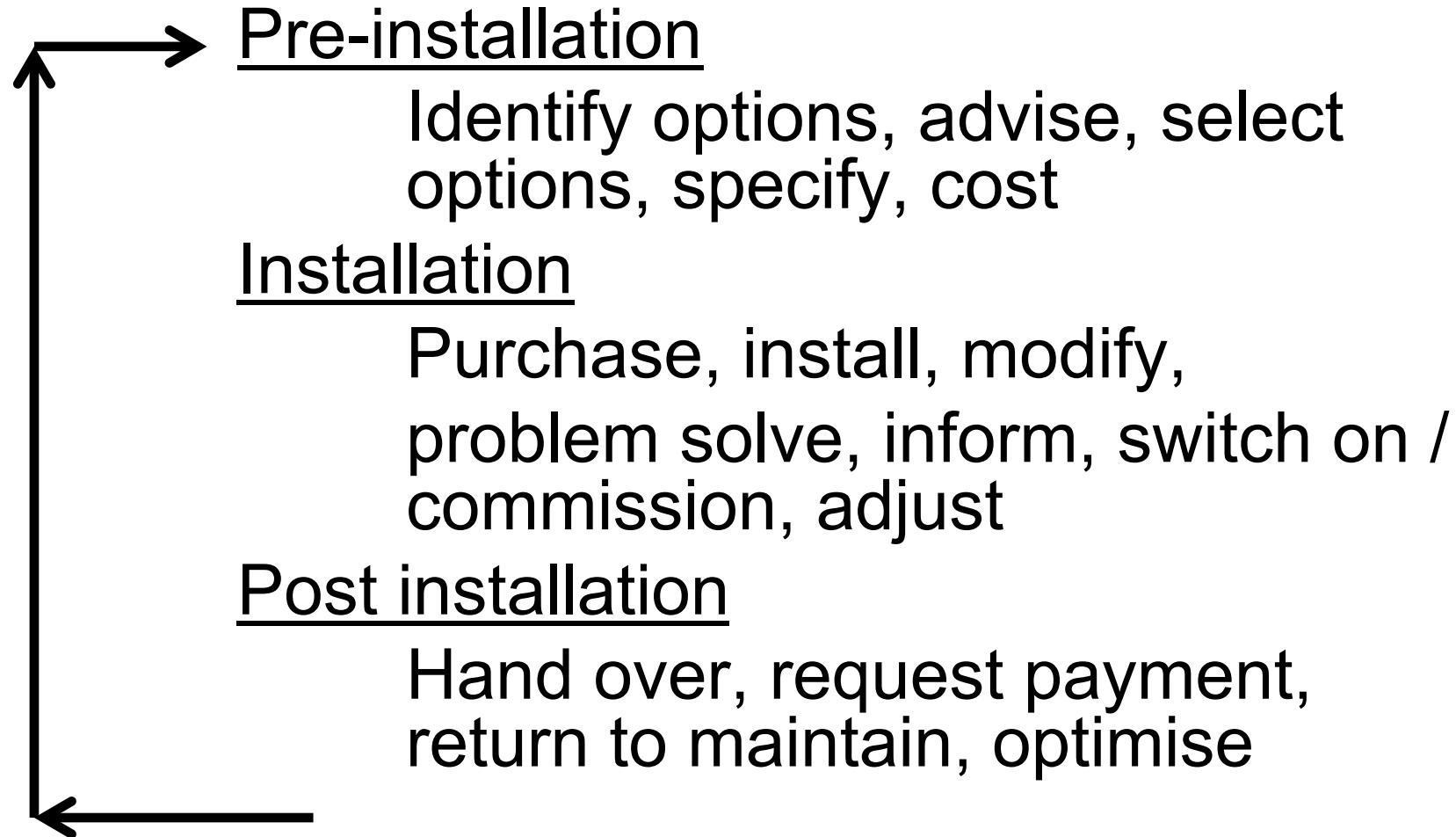
A

**diverse,
resilient,
influential,
sometimes connected,
busy
community of practitioners!**



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What do construction SMEs/micro-enterprises DO in retrofit? What could they do?



Is this the most vital bit of equipment that a heating engineer needs to carry in his van?



They were the tidiest workmen ever = I like my energy saving equipment

They were messy workers, nice enough in themselves = the new energy equipment's no better no worse than the old one

[ASHP adopters in the East Riding of Yorkshire]

Micro-enterprises work in networks



Meet Ken the builder, John the electrician and Danny the gas engineer.



We could add the Andy the plasterer, Mark the joiner, Tom fitting carpets



The local supply chain also has an influence.

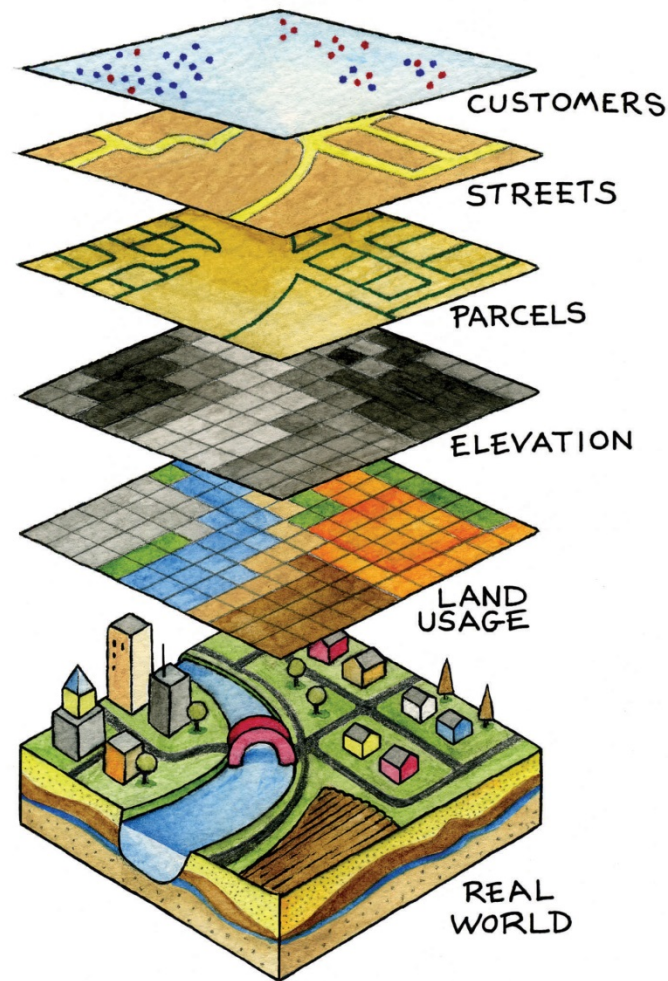


*If these firms don't stock it,
it probably won't be
installed by these guys.*



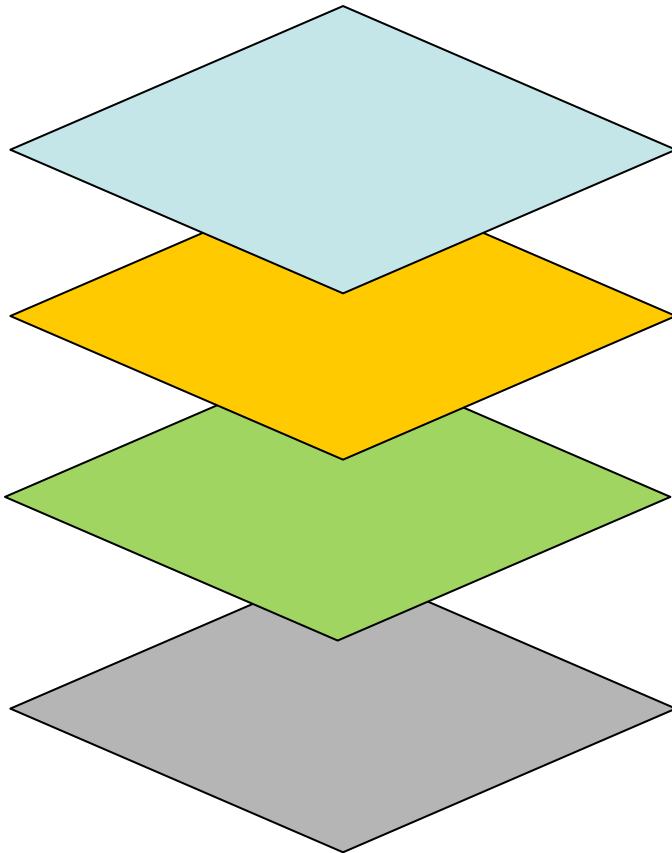
Who carries the risk for Ken, John and Danny in new equipment?

Four types of (local) networks are important



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Four types of (local) networks are important



Inter trade networks

Intra-trade networks

Supply chain networks

Customer / social
networks



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What do (UK) policy makers want from SMEs?

- Economic growth
- Innovation
- Deployment of energy efficiency? (but this is really manufacturing focussed)

Why do sole traders do what they do?

- Independence
- Decent, steady income
- No hassle – stay below the VAT threshold!
- Happy customers who pay on time and offer repeat work

How do the two lists of drivers match?

Decent, steady income	≠ economic growth
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No hassle – stay below the VAT threshold!	≠ economic growth
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Happy customers who pay on time and offer repeat work	≠ taking risks with unknown technology or techniques, so ≠ innovation!
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Three ideas:

Policy that focussed on **delivering customer value** (space, warmth, low bills, post installation optimising)

Policy that **de-risks innovation**

(a guarantee that the installer's time is covered financially if he has to return to a job to deal with new equipment)

Policy that **encouraged trade supply chains** – and local networks of practitioners to develop locally effective solutions

But I'm sure there are more!

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Thank you!

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