



BEIS Energy Performance Certificates in buildings: call for evidence

Submission by CIEH

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Any enquiries about this response should be directed to:

Tamara Sandoul
Policy Manager
Chartered Institute of Environmental Health
Chadwick Court, 15 Hatfields, London SE1 8DJ
Phone: 0207 827 5822
Email: t.sandoul@cieh.org

Key points:

1. We strongly support the proposal to require Energy Performance Certificates (EPCs) to be produced for all Houses in Multiple Occupation (HMOs). These types of properties are often occupied by most vulnerable in society and standards in these types of properties should at least match, or ideally be higher than, those in the rest of the private rented sector.
2. EPC assessments have evolved from being a consumer information tool to being a basis for enforcement work, such as the Minimum Energy Efficiency Standards in the private rented sector. Given the new uses and applications of EPCs, there is now an urgent need to improve accuracy of these assessments.
3. We would suggest that the accuracy of EPCs can be improved in a variety of ways:
 - a. We would like to see the validity period for EPCs reduced to 5 years.
 - b. A percentage of EPCs should be re-inspected as part of a quality control process.
 - c. Assessors found to produce unreliable assessments should be retrained and, in the worst cases, struck off the register.
4. We would like to see the enforcement of EPCs split between the owner-occupier and private rented sectors, with responsibility for enforcement in the private rented sector to be given to housing enforcement teams.
5. We would like to see Government guidance clearly state that listed buildings are not automatically exempt from having to get an EPC.
6. The list of suggested improvements provided to property owners on EPCs are ranked by cost-effectiveness. We would like to see alternative options provided, which focus on making the home warmer and healthier to live in.

1. Have we captured all of the current uses of EPCs? Are there any existing or emerging uses we should be aware of?

The use of EPCs has developed from a consumer information tool to the basis of minimum standards in the private rental sector. The Government's ambition to bring as many properties as possible up to a Band C by 2030 adds further importance to the accuracy and reliability of all EPC assessments. We therefore welcome this call for evidence and urge the Department for Business, Energy and Industrial Strategy (BEIS) to work on improving the methodology and the assessment process of EPCs to ensure that these documents provide homeowners, banks, landlords, local authorities, tenants and other stakeholders with accurate information about the property in question.

We are aware of a number of other uses of EPCs by local authorities. Our members work in environmental health housing enforcement teams to improve housing conditions in the private rented sector. Whilst EPCs were designed to focus on energy efficiency, they can also provide an indication of excess cold, which affects the health and wellbeing of the occupants. EPCs can also be a predictor of fuel poverty. EPCs are therefore used in a variety of ways by local authority housing enforcement teams to model their local housing stock, find information about landlords and to target their proactive inspections of properties, which are believed to have an excess cold hazard. EPCs are therefore a source of information for local authorities for a variety of housing and public health work.

2. Do you agree that we have identified the key attributes for EPCs? Are there other important attributes we have not listed? Please indicate below how

important you consider each attribute and provide details to explain your answer.

We have no comments to make in response to this question.

3. Which attributes are important for which uses and why?

We have no comments to make in response to this question.

4. What evidence do you have relating to the reliability of EPC assessments? Do you have any information on how reliability varies across different properties, and/or the likely sources of variation in assessments? It would be helpful to indicate how recent this is.

We have collected a number of comments and responses from our members specifically to inform this consultation response. Our comments throughout this document therefore reflect the views of environmental health professionals.

Our members have told us that the accuracy of EPCs is generally quite poor and that there is a lot of variation in the quality of EPCs. One member said that they had come across poor quality EPCs that were *"missing rooves off, getting the type pf heating and window glazing incorrect, getting the floor level of a flat incorrect."* Another told us: *"I have recently looked at a block of ten 1960s flats. Nine EPCs by one assessor classed as cavity wall but missed the obvious signs that it has had Cavity Wall Insulation. The 10th EPC classed it as a solid wall. I am regularly finding that there are errors on EPCs."* Another member told us that some EPCs bear little resemblance to the property: *"Many of the EPCs we have seen appear to be wide off the mark in terms of the rating, possibly because they were done as a desk based exercise rather than the property being visited."*

Furthermore, we have heard from many environmental health professionals, that over the past year, they have observed that all new EPCs are being rated 'Band E' or above. Whilst this could be for a variety of legitimate reasons, the timing of this change coincides with the new Regulations relating to minimum standards in the private rented sector. We would therefore urge BEIS to conduct some analysis of recent certificates to see whether this is part of a larger pattern. A sample of new Band E certificates should then be studied in detail to ascertain whether there may be any inaccuracies.

5. Which of the suggestions provided above do you think would be effective in improving the reliability of EPC ratings? Do you have any other suggestions for improving EPC reliability? Please provide reasoning and any evidence you have to support your response.

We consider that there are a number of simple ways in which the quality and accuracy of EPCs could be improved. Firstly, it is important to focus on the reduction in the number of 'assumptions' being made in EPC assessments, otherwise these documents will continue to be seen as inaccurate and unreliable. We have heard of many instances where assumptions are being made on loft insulation, even though the tenant knows this was recently installed and the access to the loft is available via a hatch in the ceiling. Requiring all assessors to take ladders on assessments may be one way to improve the accuracy of loft insulation. Similarly, EPC assessors should be looking for holes in external walls, which could have been used for cavity wall insulation. Our members are sometimes involved in doing 'works in default'. This is where the council takes control of a rented property to carry out the works directly to make the property safe. One of our members told us that an EPC done after these

works were completed missed all the insulation that was installed, despite occupiers being aware of this.

We would also like to see better quality control and top up training for all EPC assessors. A percentage of EPCs should be re-inspected to check that the assessments have been accurate. This sampling should be done at random and assessors' notes and calculations should be submitted and compared with actual assessments. Assessors whose work proves unreliable should be asked to complete further training. Any assessors who are found to be deliberately falsifying assessments should be 'struck off' the register.

6. What evidence do you have on the accuracy of the models used to produce EPCs (SAP, RdSAP, SBEM, DSM) in comparison to other methods such as the co-heating test?

We have no comments to make in response to this question.

7. Are you developing any kind of tool for measuring the energy performance of buildings (controlling for the effects of occupant behaviour) using smart meter data or other data, which could be relevant for EPCs?

We have no comments to make in response to this question.

8. What evidence do you have on how the accuracy of EPCs could be improved using the tools and data sources outlined above, or through any other means? Do you have any views as to how these approaches could best be incorporated into the current EPC framework?

We have no comments to make in response to this question.

9. What evidence do you have on how frequently people are likely to make updates to their properties which would change the EPC score?

We are not able to provide data on the frequency of home improvements in the owner occupier sector. However, we consider 10 years to be too long as a validity period for EPCs, especially in the private rented sector.

Our members deal with a variety of rogue landlords and properties in poor condition within the private rented sector. One of our members told us: *"Landlords are using EPCs which include heating which has subsequently been removed. There should be something written on the EPC to say it is no longer valid if the property has been made worse. Agents claim the EPC is valid because it's not 10 years old."*

10. Which of the suggestions provided above do you think would be effective in ensuring that the information on EPCs is up to date? Do you have any other suggestions for ensuring EPCs remain up to date? Please provide reasoning and any evidence you have to support your response.

We would like to see the validity periods for EPCs reduced from 10 years to 5 years. This is particularly relevant to the private rented sector. A decade is too long to ensure that the EPC assessment remains accurate. Furthermore, the average energy costs are also likely to be very out of date after 5 years, due to rising energy prices and inflation. Producing a new EPC

every 5 years seems to strike the right balance between providing potential tenants with accurate information and cost to the landlord.

11. Would you support introducing new EPC trigger points at any of the stages listed above (or any other stages)? What evidence do you have relating to the advantages and disadvantages of any of these trigger points?

We would support a number of new trigger points for new EPCs to be created. Houses in Multiple Occupation (HMOs) are subject to mandatory licensing with the local authority due to the fact that these properties present a higher risk to the occupiers than other private rented property. However, despite this, they have never been required to obtain an EPC.

One of our members told us: *"Some HMOs have the worst conditions for excess cold. Usually, older properties, solid brick construction, no cavity insulation and limited loft insulation if any and inadequate heating systems. Converted buildings s257 HMOs are the worst and often house the most vulnerable, including families."*

Whilst energy efficiency and excess cold are not equivalent, energy efficiency can be a predictor of fuel poverty and excess cold. Having this information on HMOs would give local authorities the data to target their inspections locally to the worst properties and require the landlord to install insulation and other improvements to remove an excess cold hazard. Furthermore, not having an EPC means that HMOs fall out of scope of the new minimum energy efficiency standards for the rest of the private rented sector.

However, we would not support a new trigger point where the owner-occupiers are already in the process of installing wall insulation, replacing windows or a new boiler. This is because the owners are already doing works that EPCS are trying to encourage them to do and are likely to be aware of the benefits. They will already be required to obtain an EPC when they come to sell the property so this may be an unnecessary extra cost and a duplication of effort. On the other hand, home owners adding on an extension to their existing home may not be aware of the impact of this on their overall EPC. Although current building regulations should ensure that the extension itself is well insulated, the increase in liveable floor area may affect their overall EPC rating, energy usage and energy cost. A new EPC could therefore be useful in this case.

12. What evidence do you have on how useful the EPC recommendations are to consumers when they are considering making changes to a property? How effective are they at encouraging consumers to take action?

We would like to see a re-design of the EPC recommendations to include a 'healthier homes' section. The recommendations provided on EPCs are usually the most cost effective, however, some occupiers may be motivated by other factors. For example, if a family member living at the property has a long-term condition, the home owner may decide to replace their old boiler to improve the warmth of the property. Additional or alternative options, which focus on making a property healthier or warmer to live in, may encourage more property owners to make the decision to improve the energy efficiency of their home.

13. Which of the suggestions provided above do you think would be effective in encouraging building owners to make appropriate energy performance improvements to their property? Do you have any other suggestions? Please provide reasoning and any evidence you have to support your response.

We have no comments to make in response to this question.

14. What are your views on introducing operational performance ratings for non-domestic buildings, either on the EPC or separately?

We have no comments to make in response to this question.

15. What evidence do you have on how useful the EPC rating and cost information are to consumers when purchasing or renting a property? Are consumers using information on the EPC to negotiate property prices or rents?

We do not hold evidence of how tenants are using EPC data. However, the picture will be different across the country. We would expect little use of EPCs to negotiate the rent level in the south of England and London, as other factors are likely to be more important to the tenant. However, in areas of low demand, such as in the north of England, tenants will have more power to negotiate rent or to select a property based on its EPC rating. Evidence of EPCs being used might be seen in longer void periods for properties – the length of time a property is empty – with lower EPC bands.

Our members have also told us that many tenants still do not have copies of their EPC. This is especially the case in properties, which are in poor condition and which are not being managed well.

16. Do you have any evidence on consumers' understanding of the energy efficiency rating used in EPCs? Do you think a different rating such as carbon emissions or primary energy would have a better impact for consumers?

We have no comments to make in response to this question.

17. Which of the suggestions provided above do you think would enable prospective buyers and tenants to make more effective decisions based on the information on the EPC? Do you have any other suggestions? Please provide reasoning and any evidence you have to support your response.

We have no comments to make in response to this question.

18. What evidence do you have on how easy it is to access EPC data or Open Data? If you are currently a user of the Open Data Communities website, what do you use the information for and how valuable is this website as a source of data?

We have no comments to make in response to this question.

19. Which of the suggestions provided above do you think would improve the ability of building owners and other stakeholders to make effective use of EPC data? Do you have any other suggestions? Please provide reasoning and any evidence you have to support your response.

20. How useful do you think a 'data warehouse', 'building log book' and/or 'green building passport' would be in increasing take up of energy efficiency improvements or supporting existing initiatives? What kinds of data might usefully be included in addition to EPC data and how could these proposals best

be implemented? How might more comprehensive assessments be encouraged without making them a requirement for homeowners?

We have no comments to make in response to this question.

21. What evidence do you have on compliance with the requirement for providing an EPC when purchasing/letting a property, or the requirement to display the EPC rating in property listings. Does this differ by tenure type or by any other subset of the building stock? What evidence do you have on the reasons for lack of compliance with the requirement for an EPC?

We have no comments to make in response to this question.

22. What evidence do you have on what enforcement work is currently being done to ensure that EPCs are being produced?

Our members work to enforce housing standards in the private rented sector, however, the enforcement of EPCs sits largely with Trading Standards. We believe that the enforcement of EPCs used in the private rented sector should be the responsibility of environmental health and housing enforcement teams, who are already responsible for most aspects of private rented sector enforcement. EPCs relating to the sale of homes and owner occupiers, should remain the responsibility of Trading Standards.

23. Which of the suggestions provided above do you think would be effective in improving compliance with the requirement for an EPC, bearing in mind the other changes to EPCs being considered. Do you have any other suggestions? Please provide reasoning and any evidence you have to support your response.

We have no comments to make in response to this question.

24. What evidence do you have on costs of EPCs, how easy it is to procure an EPC or on consumer attitudes about EPC costs?

We have no comments to make in response to this question.

25. Which of the suggestions provided above do you think would be effective making the process of procuring EPCs easier or more affordable, bearing in mind the other changes to EPCs being considered. Do you have any other suggestions? Please provide reasoning and any evidence you have to support your response.

We have no comments to make in response to this question.

26. This Call for Evidence has outlined a number of options for making improvements to EPCs. Of the suggestions discussed in this document or which you have put forward, is there one or more you think is particularly important, or are there any other suggestions you have or comments you want to make about EPCs?

We have no comments to make in response to this question.