



elmhurst
energy

Call for Evidence:
Energy Performance
Certificates in Buildings

Final Response

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

It is very important to differentiate between the calculation methodologies (RdSAP, SAP, SBEM etc) and the EPC which is 'one' particular output. The issues derived from most of the questions in this document related to the output (the EPC), but throughout this document we have attempted to answer the questions with both sides of the equation in mind.

We agree with all the captured uses of the EPC indicated within the table in the document.

The reference to the 'Original Purpose' should never be undermined. Elmhurst believe that this is the 'Primary Purpose' and the explanation should be expanded to emphasise that the EPC is a tool used by building owners, occupiers and buyers to estimate their fuel costs, to compare the relative efficiency of dissimilar properties and to identify cost effective improvements that can be made. Any policy or regulation that impinges upon that 'Primary Purpose' needs to be closely scrutinised.

We have identified that the following points which are missing;

- Housing Health & Safety Rating System (HHSRS) – this is used to enable homes to be judged as not fit for human habitation and uses the EPC within its risk assessment.
- RdSAP calculations and the EPC have been used within ECO tools, to generate carbon and price savings, as well as the basis for the 'deemed scores' used to trade measures.

It is essential that when we identify extended uses of the EPC that any unintended consequences are understood and managed effectively. The trouble with adding new policies such as ECO within the current EPC process didn't deliver what that industry wanted, was a classic in case. All stakeholders need to be clear at the outset what is required to ensure that the output is correct and thereby minimising the unintended consequences, and thus delivering quality.

All of these uses require an EPC that accurately reflects the current condition of the property. – A new EPC should be required whenever a change is made which impacts the energy efficiency of the building and the EPC should not be more than one year old to ensure that cost benefit calculations are realistic.

EPCs need to be consistent over time. Elmhurst would recommend a move away from cost towards primary energy as the key metric that drives the rating. Domestic EPCs use price and Non Domestic uses carbon emissions, this also causes confusion.

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.

Explaining the EPC and the methodologies will improve many of the perceived quality issues identified in the document. Elmhurst stress that the key attribute vitally missing is 'Independent Advice'. This is the step between receiving a dry document and then receiving some independent advice which bridges the gap to help understanding and explaining what can be done. In the vast number of assessments the 'stakeholder' who is reading and would value the EPC is not present at the assessment. If the building is being prepared for sale then the seller is not interested and the purchasers are not yet known. For rented properties the landlord is often only concerned with achieving minimum standards ('F' or 'G') but the tenants/potential tenants are one step removed. This means that assessors need to be able to talk to 'people' to help them understand how the asset is performing. This can further be improved by linking the EPC to an occupancy assessment for the new occupiers and prompting a discussion, explaining the outcomes and discussing what the next steps are.

For each segment asked in the consultation document, we make the following comments;

Accuracy - The definition given in the document is extremely good, but as has occurred over the years a sensible pragmatic view is not always required when somebody wants a fuel bill saving down to a guaranteed penny! (e.g. green deal!)

The quality standards applied should be appropriate for the use of that particular stakeholder e.g. + or – 5 SAP points is appropriate for sales and lettings of domestic properties. It may not be appropriate for grant funded measures and this could be ensured through appropriate audit regimes

The key here is for the industry and policy to understand EPCs and the process that creates them better. 99% of issue surrounding EPCs are a lack of understanding e.g. that is not my fuel bill (true – it standard assessment), RdSAP doesn't cater for u-values (false); assessors can't measure windows (false) etc. There is a balance between accuracy and availability. If an assessor is required to collect significantly more data then they will need to be trained to a higher level and spend more time on site. This will push the cost up and, unless enforced, levels of compliance will fall. If the cost is too high then this could create resistance from others in the supply chain especially if it begins to restrict the house selling process. By other stakeholders engaging with our Industry they will understand that the methodology is probably correct, and that the output that that stakeholder requires can be delivered.

Quality- When it comes to EPCs In simple words, one can say that a product has good quality when it 'meets with the requirements of the stakeholders. Quality is not accuracy, but accuracy can impact on quality. To deliver quality it is important to know what stakeholders need. The current 'one size fits all' EPC is not suitable and whilst users such as OFGEM may wish to focus on carbon, most primary users will be baffled by it.

Elmhurst proposes various formats for differ stakeholders. Maybe a consumer focussed front page and leave all the technical bits for another document or include as an optional appendix.

This is the heart of Elmhurst message, is the client wanting an occupational assessment, an asset assessment or both, do they want to have carbon savings, or monetary savings? All these can be undertaken and delivered but not with the current system where only one 'pdf' certificate exists (the EPC).

Consistency over time- this is missing from the document. A weakness of the current system is that it benchmarks against current prices and CO2 emissions. We need to move towards a benchmarking system such as Primary Energy as this means that the A-G rating will be consistent until 2050 and beyond, thus aligned to the Clean Growth Strategy.. Focussing on Primary Energy will ensure that users focus on what they can control and are not distracted by affects outside their control (e.g. how the fuel is produced, or how much it costs). At the moment it means that buildings will jump around based solely on either cost of a fuel or the current emissions for that fuel. This in Elmhurst's opinion is a flaw in the current system and needs to be addressed quickly. This transition needs to be managed exceedingly well, so as not to destabilise the market.

Reliability- We agree that the assessments undertaken on the same property by different assessors should be broadly the same score, and this is **repeatability**. However certain stakeholders over the years have criticised EPCs down to a lack of accuracy, and as such in the existing dwellings sector the RdSAP inputs has now expanded to nearly the full SAP inputs. The data inputs are now nearly double that when it originally started in 2007; this is due to new policies wanting more recommendations and more perceived accuracy. With more inputs, come greater scope for mistakes and perversely less repeatability. We all need to sit down and agree that what is required is for great reliability with as much accuracy as we can put into the process. Simply adding more and more fields to RdSAP, may improve accuracy at the expense of repeatability.

Up to date- the major mistake we have in this industry was to try and blame the EU for stating that 10 year old EPCs were OK. And that any change to this would be accused of gold plating the directive. Simply put an EPC can only be valid if it accurately represents the current state of the building. If a building changes or has extra kit installed, then it is safe to say that the EPC is no longer valid. The current situation where it is OK to sell/rent the building using a 10 year old EPC, which neither reflects the actual building or current fuel costs/carbon emissions, is in our opinion completely undermining what we are all trying to do. In fact we would go as far to say that this should be illegal under trading standards law! The biggest decision most people make in their lifetime can be based on an incorrect out of date EPC. This completely undermines the quality, reliability and perceived accuracy to which we all strive, and stakeholders demand.

The EPC must be updated regularly and at every opportunity to truly reflect the building. Government need to measure improvement, and if this legal part is not changed, then nobody will know the progress being made by the vast majority of buildings in the UK. The EPC should be updated at every major opportunity (notifiable works, boilers, windows, extensions etc) and should expire after 1 year.

Historically agents have reported that an average term for a home owner in any one house was seven years. More recent data suggests this has now risen to over 20 years. If a property remains in single ownership for that long the EPC, to which they are asked to refer, will also be twenty years old and totally misleading when it comes to fuel prices and modern technology. Government data will also suffer, as incremental improvements made by that home owner remain invisible and therefore unmeasured at an individual and national scale.

Encourages Action – yes EPCs do this but they do it much better with advice; they are a dry document at the moment, and energy assessors are the right people to translate the building, the assessment and the output into a language that engages owners/tenants. We propose that the document be separated to ensure that the front page is totally occupier centred (the primary user) leaving the technical terms to another document, or an optional attachment.

Influences property decisions – this comes with education and advice. If lenders and more professional bodies are using them to advise or follow policy, then consumers will start to act. The current process through estate agents and letting agents is clearly not working in the mainstream. However great work with MEES has meant that professionals (solicitors/lenders/pension funds etc) are starting to understand the risks of owning/lending to now illegal buildings, this kind of policy needs to be replicated in other sectors.

If the document were restructured, and the current restrictions on how the document can be shared, were addressed then stakeholders would make better use of EPCs and more improvements would be the result.

Availability

Access to Data- this is a major obstacle to the current process, the data is currently securely locked in a national data base; a subset of domestic information is released as Open Data. Homeowners and business owners need to be able to access the data for their own building – and liaise with a professional person who can re-spin this data in an approved calculator to help them to live and operate a more energy efficient building. At the moment this 'locking of data' is standing in the way of this vital competent. Within confounds of data protection it is perfectly achievable to have a conversation with a landlord/tenant/owner about how to make the building warmer, cheaper to run and more energy efficient. The full data set needs to be opened up and not ring fenced away. The partial data set that is currently made available is a step forward but as it omits key elements that prevent recalculations, and is currently two years out of date, it has not fulfilled its potential.

Coverage- Compliance by building owners with the current EPBR has been extremely weak and poor in our industry. Very few prosecutions have occurred and major areas continue not to be enforced at all e.g. air conditioning inspections.

A significant number of private rented properties still do not have an EPC to show compliance with EPBR or MEES. Various changes can be made to ensure that compliance improves.

Make the EPC and the underlying data easy to share and remove the restrictions placed by the current register. Sunlight is always the best disinfectant.

The current rules and guidance around exemptions are too complicated, so we suggest to remove all property exemptions e.g. HMOs and Listed Buildings. Buildings without an EPC are excluded from having access to policies and funds to help improve them from an energy efficiency point of view. These are some of our poorest buildings in terms of energy efficiency, they will not appear in any national statistics for our homes and businesses – they are off the radar, and the occupiers will be locked in cold, expensive to heat and high energy use buildings.

As discussed earlier ‘stealth enforcement’ is really driving action. During MEES it has become apparent that other professions have now started to understand the ramifications of policy and are actively looking to look after their clients. This has meant that the true enforcement has been taken over by Industry. This approach works and must be built upon for the other types of ownership.

Simple and low cost- the current process is certainly not “a barrier to prevent selling or letting a buildings”, the procedure adds value to the process with the information provided. We all including Government and Industry need to ensure that the output is correct for the stakeholders’ requirements; this will go to add more value to the base EPC process.

Independence of assessment- this is also missing from the consultation document. It is vital that if we are to succeed in improving peoples home and businesses that the assessment and advice is provided in the most independent manner possible, without undue influence from installers and manufacturers of particular solutions.

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

A balance between all of these is required availability/accuracy/repeatability as each stakeholder will have a different set of requirements and it is essential that the process to deliver these outputs is managed well. In Elmhurst view we need to improve the output presentation which will go a long way to satisfy the needs for all stakeholders. As mentioned above quality is defined by what the stakeholder requires.

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.

EPCs are good quality and are exceedingly good against the already defined quality standards e.g. over 95% of domestic EPCs are within the tolerances set by government and when EPCs fail to meet this standard they are replaced with a correct one. Smart Auditing which is now live is also more focussed on high risk EPCs.

Over 18 million EPCs have been issued and that probably accounts for over half the buildings in the UK.

The biggest single issue with 'reliability' of EPCs is the lack of understanding of what an EPC is and what the methodologies are calculating and the fact that the output is a standardised asset rating. Once we can demystify this and give other options e.g. occupancy calculations, the improvement in 'perceived' quality will be huge.

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.

Data available in terms of certificates and information already gathered to be re-used by energy assessors. This would get around nearly all the issues identified by the fact that at the moment nearly all energy assessments on existing buildings are done using observation and non-invasive surveys. If a central repository per building was able to collate information, this would give consumers much more confidence that the 'real' data is being used rather than defaults. 'Defaults' are not wrong, but where the information exists, it should be available to energy assessors in order to over write them.

In terms of suggesting that some modern technology is not available within the methodologies, this is a vital component of SAP and SBEM; not all innovation is good, innovation must be proven before being allowed to use within the methodologies. The process to get innovation accepted within the methodologies needs to be speeded up and not to be overly costly. We believe that Robust Details and BRE are working together to allow this process to be improved. But it must be stressed that a managed process is absolutely critical, otherwise unproven technology can be fitted to homes and businesses and regretted later.

Taking each suggested improvement in turn:

Different levels of training- whilst we agree that different levels of training providers are out there, the qualifications are ran by awarding bodies and the standards are there to achieve.

Different Auditing Processes- the re-write of the SORs has certainly gone to great lengths to clear up any ambiguity in the previous documents. Each scheme is also audited frequently by 3rd party organisations on behalf of Government, who enforce that we all operate in the same manner.

Price Competition- it is not as simple as 'cheap price = poor quality' or vice versa. Whilst everyone would agree that higher prices, generally give more time to complete the assessments. The audit system is applied without fear or favour and selection has no connection to price and therefore the QA framework is completely independent in this mater.

Software Apps- Elmhurst's new apps, especially mobile apps taken to site, do indeed help assessors to input data and gather 'correct' evidence. As more and more assessors are using them this certainly correlates to better quality evidence.

Better Data- this is a great recommendation and one we whole heartedly endorse. The previous data surrounding a building should be freed up to the next assessor. At the moment the new build SAP and SBEM data is effectively thrown away and locked down in a central register, and when the home/building is sold or rented, they will use an existing building assessment basing it on defaults. This is making buildings appear worse than they actually are and is misleading to consumers. This is not the fault of the assessor or the methodology, but access to information is vital to make better quality certificates moving forward.

Having this new build data available to use is vital. The assessor must ensure that the information provided is 'useful' but that they must validate it in the building being assessed. There is a danger that data is just reused as a quick assessment. The energy assessor must take responsibility that the EPC created is a true reflection of the building and that the data/information presented was used to help that EPC be better quality.

Many assessors over the years have informed us that they also get frustrated that they lodge an EPC and then later the vendor or landlord complain that it is not accurate and start to find certificates and information regarding works undertaken. The process to obtain this information prior to assessments is vital throughout the supply chain. If estate/letting agents want to advise their client to get the best score, they advise them to get information ready for the assessor. At present it is just a tick box approach on behalf of most agents, and so this opportunity is lost.

Linking the Central Register with the databases operated by Estate Agents, Land Registry and Building Control will assist greatly with coverage and enforcement.

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?

To predict how a building will perform needs a calculation methodology; once built, a test can then be used to confirm how it performs in reality

RdSAP, SAP and SBEM are modelling calculations while co-heating is an in-situ calculation. They are completely different assessments with different cost/time/quality restraints surrounding them. Simply put, co-heating is more accurate but it is not suitable for the design of new build buildings (as they are not yet built), is not suitable for volume assessment of existing buildings and it cannot model the impact of a proposed energy efficiency improvements. What co-heating can do is improve the methodologies we do by creating a feedback loop and if overlaid with the SAP/RdSAP/SBEM methodology produce a more accurate reflection of the building in use.

The methodologies described are now in some cases 25 years old and are being improved. We would advocate that as new policies come along and more weight is put upon EPCs that suitable funding is available to improve the base methodologies and co-heating test, and other technologies, can input into that learning process.

An example where improvement is required is within the SBEM methodology to provide financial estimates of costs and benefits for the recommendations it suggests, otherwise it is incompatible with the principals of MEES and also it doesn't engage building owners to take action to improve buildings. The assessor using this methodology is the only person who can inform/explain the recommendations for the building, as the actual recommendations report does not have enough information/detail to influence decision making.

Unlike SAP and RdSAP there is very little engagement with the development of the SBEM methodology, meaning software providers, Accreditation Schemes and their energy assessor members, are advised of changes to the methodology at short notice, and without full explanation. A free Government software tool iSBEM (black box) in this market is inadvertently stifling innovations as private companies are unwilling to invest in a product which competes with a free alternative.

Within the existing dwellings market, there is significant concern where energy efficiency measures have created inadequate levels of ventilation with the consequential impact of air quality and high levels of damp. RdSAP could easily be modified to include an air tightness test result, where if required by a policy/stakeholder; which would ensure adequate ventilation, and reward optimum levels of air tightness that contributes to energy efficiency. New technology makes the testing of existing dwellings practical.

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 already have a good occupancy calculator that happened to be used within the complexities of Green Deal. The feedback we received overwhelmingly was that home owners liked the tailoring of the asset calculation, through occupancy questions. This gave the owner/occupier a tailored output more relevant to their behaviour in the property.

These tools just need to be re-used by qualified energy assessors to be able to demystify one of the major issues that surrounds 'quality' i.e. giving the stakeholder an occupational assessment of their asset. The EPC is the base (foundation) that is built upon and refined.

If we obtain the metered data then we have the 'golden triangle' of 'Asset', 'occupation' and 'meter', all of which are all excellent data on their own. Together they are the answer to all our questions. The asset should behave in a certain manner, the occupant uses it in a particular way and should use 'x' amount of energy, but the metered data suggests something is not right. With the 3 pieces of data; we as a country can then easily manage the energy efficiency of our building stock. At the moment the whole process revolves around the 'asset' only and it gets criticised – we need occupation assessments on all homes and businesses (not just a tiny section of public visited non domestic buildings). This is relatively straight forward.

The final piece of the jigsaw is to link back metered data to the owner – thus the building can be effectively managed and understood. Please note we do not need to re-invent the wheel here. Use the tools that exist and get on with it.

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?

Processes can always be improved, and you will note that the methodologies are improving, the scheme operating requirements are improving, and the assessors are gaining knowledge and experience over time.

We must ensure that we do not blend asset ratings and occupancy assessments together into one output. They are two different things to be used by different stakeholders and at different times. We should simply add on the occupational assessment to those assessors that want to undertake them. Policy and Stakeholders can then understand what this is and demand it in certain scenarios. Thus going back to what quality is (what the stakeholder expects) giving them the Asset and or Occupational assessment of the building is key.

In summary we do not suggest to simply add the occupation to the asset EPC as this will confuse stakeholders.

We at Elmhurst also advocate that the national calculation methodologies need more in situ data and when this data is derived it can be feedback through the loop to improve the base position e.g. co-heating test information on a wide variety of different buildings can be used to improve the national calculation methodologies.

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

This is a difficult question to answer due to the following points;

Some people do not obtain EPCs, these are the people who don't move or rent their property. There are some people that obtain an EPC and uses the 10 year legal validity to effectively miss sell their building over the course of the next 10 years. It should be a requirement that if an EPC is required that it effectively and accurately reflects the building as it is. Selling or renting a building used out of date methodologies and inputs is not at all helpful to our industry and indeed the perceived value of energy certificates.

Historically agents have reported that an average term for a home owner in any one house was seven years. More recent data suggests this has now risen to over 20 years. If a property remains in single ownership for that long the EPC, to which they are asked to refer, will also be twenty years old and totally misleading when it comes to fuel prices and modern technology. Government data will also suffer, as incremental improvements made by that home owner remain invisible and therefore unmeasured at an individual and national scale.

MEES has effectively introduced a policy, which has meant that stakeholders are now interested in the output. This has caused more up to date assessment to be undertaken. This is a good thing. It is absolutely essential that the 10 year rule is changed as urgently as possible, and that more triggers are placed around the EPC; or nudge points as indicated, that makes professional people look at the EPC and advocate for using one that reflects the current building. EPCs should be made to be reflective of the current building and be invalid after 1 year.



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.

Trigger points on sales and lettings- the certificate must reflect the currently property and certainly never be more than 1 years old. This aligns to RHI, but most importantly puts the onus on the landlord and vendor, not to mislead purchasers or tenants.

Construction- should always be enforced through Building Regulations. We still have evidence that in many parts of the country this is not enforced and no SAP/SBEM calculations are provided. The smart auditing has helped further the understanding in this area.

Major renovations- this is a brilliant time to undertake the assessments. In one Local Authority they effectively used this and had nothing but great feedback, explaining to home owners how they can improve the energy efficiency of the whole home at the same time as major works e.g. extensions is clearly an obvious trigger point for good advice.

Relevant Building Work e.g. Boiler, Windows etc. We suggest that any controlled element should trigger a new EPC and that the data of the improvement is made available to owner in a building log book. Any other changes that are not 'controlled' e.g. LELs, cylinder insulation etc, can be added the log book, ready for the next trigger of an EPC. All this data is then available when it is next sold/rented, improving the quality of EPC in the future.

HMOs must have EPCs. The current situation is nonsense. A choice needs to be taken that they are either exiting dwellings or commercial buildings. But to ignore them is clearly wrong. The tenants, some of who are the most vulnerable in society, have a right to be helped by PRS/MEES, but are not, without any enforcement of an EPC, they are locked in cold, expensive to heat and poor quality homes.

Green Mortgages. This is something that Elmhurst was involved with in the mid 1990s with lots of lenders. The Lenders can ensure that they build the EPC into their calculations. This is ongoing and an area that we are supporting.

Affordability Calculations- these are different to Green Mortgages, and we advocate that lenders needs to start to use the EPC data, and occupancy data in order to ascertain likely disposable income for the consumer in that home/building.



Listed Buildings- this again is a hugely frustrating part of the building stock when it comes to energy efficiency. We at Elmhurst completely understand that it is not appropriate to put external wall insulation on the facade of a grade 2 listed building. However guidance on this is extremely confusing with some stakeholders saying that they are exempt and others disagreeing. To show that a landlord complied with MEES they must indicate that they are not an F or G rated building, but for sale/rental purposes listed building can be exempt from EPBR? This standoff does nothing to help our industry. We have always suggested that even in listed buildings certain measures such as low energy lighting, heating and hot water controls, boilers, loft insulation, hot water jackets, cylinder thermostats, TRVs are perfectly acceptable. We suggest that EPCs are required for listed buildings, and that consumers are made aware that all material changes for these buildings need to be done in conjunction with a responsible body; to leave these homes/buildings without any energy efficient information, or indeed any access to policy and funding thus leaving the occupiers in cold buildings seems a completely blunt way to hide this issue.

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 support more trigger points that give a better updated EPC for the benefit of the owner/tenant. With more triggers we improve the likelihood of people seeing and acting on the EPCs. The disadvantages are the additional costs of the new assessments, but the relatively small cost of this in comparison to the savings that can be made to the building mean it is always worthwhile. At the same time the vitally independent advice given to owners/tenants of what can be done next far outweighs any negatives.

More frequent EPCs made by owners will also be reflected in national statistics to ensure that as a country we meeting our energy goals.

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?

In the Call for evidence point 4.3, it is noted that between 8-17% of respondents reported acting on the EPC recommendations is fantastic. If 18 million EPCs have been created then 3 million people have acted in some way to improve the energy efficiency of their building/property. What a great start. There is very little structured advice given around the EPC and in our opinion this is the number one reason that consumers/owners are not engaged more fully in the current EPC process.

Energy Assessors do not always meet the tenant/landlord/owner of the property when undertaking the assessments. The issue with sales and lettings is that the person instructing the assessment is often not the stakeholder who needs engaging with e.g. vendor of a home instructs via an estate agent, this is just a tick box approach; the potential persons who may buy the property are the real stakeholders, and all they may see is the 'graphs' of an EPC on a website portal. There is not even really engagement with the EPC itself let alone the energy assessor themselves.

All this means that the right person to explain and advise on the EPC is not necessarily engaging with the right stakeholder. We at Elmhurst stress that energy assessors who do give advice about the EPC process, the methodologies and the recommendations are the right people to help consumers take the next steps.

They need tools to take the asset rating and add occupancy information to be able to model the 'right' measure for that occupant, in that asset. All these tools exist at Elmhurst and can be expanded to energy assessors.

Independent advice that is not just about 'flogging' certain improvements, is the huge advantage this approach would take. Elmhurst can extend the role of energy assessors beyond just the recommendations on the pre-defined EPC, but get them to ask owners/tenants what their motivation is e.g. lower fuel bills, less CO₂, more comfortable homes etc. Taking the base position of the EPC and building upon it with tailored specific and vitally independent advice will raise the 8-17% up to what we all know is required, if our building stock is to be improved.

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.

As above, extend the role of energy assessors to give advice; give them appropriate skills and tools to derive at a quality output of recommendations that is for the building and the owner/occupier. This can easily be achieved and delivered on a mass UK wide scale.

Use digital platforms to engage with consumers, and provide people an idea of what is achievable. The vast majority of consumers know very little about the energy efficiency parts of their property and trying to ascertain in a digital way is difficult and will not be necessarily true e.g. most people do not understand that a thermostat on a boiler is not a room stat, also how much loft insulation they have, is there any insulation in the walls? Or behind the sloping roof? Accredited energy assessors are trained, and ideally placed, to obtain good quality data upon which to base a meaningful conversation with owners around energy efficiency. Elmhurst encourages any digitally led solutions, as long as everyone realises the intrinsic downsides of this approach and therefore builds energy assessors into the process.

We would advocate the operational assessments add great value to the asset rating as on previous questions.

As Elmhurst have said many times of the years, the methodologies give lots and lots of outputs be they £s, CO₂, recommendations, A-G bandings etc. What each stakeholder wants to see and use must be first understood so that this is what is discussed when offering advice. This is why accredited energy assessors can fulfil this criteria, asking what it is the stakeholder wants to use as the goal, engaging with the consumer/owner and specifically giving tailored advice; not just about what is on the EPC but vitally what to do next to activate some action.

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

Operational Performance ratings (such as a DEC) are great for owners/occupiers to understand how they are likely to operate their building but are not particularly useful for sales and lettings process.

Therefore we 100% support that if we are to engage more stakeholders in energy efficiency we must build upon the 'asset' and overlay with 'occupancy' information. This should happen for all domestic and non domestic buildings not just a tiny subset of non domestic buildings as at present.

Keeping the assessment and outputs separate is vital so that those policies and stakeholders and individuals can use the assessment that meets their requirements. This does not disrupt the current 'fit for purpose' situation where a building is put on the market using standardised assumptions (asset rating).

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?

As the stats suggest there is certainly evidence that more energy efficient buildings do have a price premium. We are noticing that the MEES policy has certainly concentrated the minds of landlords, pension fund holders and financial institutions. This is certainly making it increasingly difficult to obtain mortgages on buy to lets with F or G. This 'stealth' enforcement is only going to change market prices of buildings and when the target is raised, the positive impact will increase.

We stress that the fact that most people looking to rent or buy homes, look at online portals and estate/letting agent windows. If they are lucky they may spot the A-G graph which is called the EPC. This is not the EPC and therefore the missed opportunity this presents is massive.

Clearly if council tax or any other tax was used to give credit to better energy efficient homes, there would be a massive improvement in action and therefore affect the prices of inefficient homes or buildings. This was consulted on recently.

The digitally led solutions should make use of data, but should also bear in mind that they can point them back to the energy assessor whom undertook the assessment, to gain the advice and recommendations explained to them.

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?

It is our opinion that most individuals are incentivised by cost (price). Carbon and primary energy are not generally motivating factors. The bonus is that normally by spending less money, the consumer will normally use less primary energy and create less emissions is understood. The carbon rating graph was on the original EPCs and it was deemed to be too confusing to consumers and the main focus was moved to price; with the carbon scale moved to later pages. Interestingly in non domestic the focus remains on carbon emissions, and this is probably a hangover from regulations and targets on new build and carbon targets for companies.

As stated earlier the calculations provide all this data, what is displayed to the stakeholder can be defined and amended where suits; e.g. a consumer can see the monetary side of the output, a local authority who may have emissions targets to hit should be able to obtain this output. The calculations are not wrong; it is all about giving the stakeholders the output/data that they want to be able to use it effectively.

As described earlier. We at Elmhurst believe that the EPC benchmark rating should be moved to primary energy so that is permanent, as at the moment it is linked to price of fuel or emission of fuels, which is rapidly changing. A really good example of building something for the stakeholders would be that an Occupancy Assessment output should be based on 'monetary savings' as this is believed to be the best motivation for consumers.

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.

- Make the EPC more available
- Make an Occupancy Assessments available
- Include Independent Advice

Link the EPC to financial rewards and penalties such as stamp duty and/or Council tax. Which would make buyers consider the cost of improving buildings and also sellers may well improve them before they sell buildings.

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?

The EPC open data is a great start, and is something that we know Universities and research bodies think is very good in terms of drilling into what is occurring in the building stock; from a statistical point of view we have heard many complimentary comments on the open data. However, open data is not useable within approved calculation engines as it is not complete. Therefore a homeowner can't get an energy assessor to take the data, re-spin it, talk through recommendations, overlay with operational information. This is the vital next step that needs to be addressed, we also know that data protection is key around this, but at the moment there conflicting views within Government some of which want to see progress in people's homes and businesses and others who see data protection as an obstacle. The data must be freed up, within accepted boundaries, to allow good choices to be made by landlords/owners/tenants. After all an EPC was supposed to be the start of the journey, unfortunately most buildings stop at this point, we need to break through this and get action, the data is key, along with good independent advice; link this together and we will see much more action.

We suggest that the open date is kept simple as it is really great source of data for statistics. Individual properties data can be allowed to be given to owners in a 'managed' process so that it can be used by a qualified energy assessor to discuss the next steps.

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.

We need to allow building owners and defined stakeholders to obtain the data, which in our opinion they have a right to, to be able to re-use it to make good energy efficiency decisions about their building.

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?

The concept of a data warehouse is very good, as this has been discussed for many years through the Each Home Counts process, it needs somebody to own it, manage it and finance it. This is something that is complex.

The concept of a building log book/passport is also very good. The owner needs access to the asset data, occupational data, recommendations, and any information that is pertinent to the home e.g. certificates/warranties etc. The energy assessors undertaking assessments in the future can use the data to give more accurate energy assessments as they would have access to real documentary evidence e.g. U-values of walls, new windows etc.

The building log book can be updated with lots of information e.g. extensions, new heating systems etc. Update EPCs can be created, and when ownership/tenancy changes the occupancy side can be relooked at to make it more relevant to new incumbents.

In order for this to occur, the assessment data must be made available to the right persons so that they can use it to make their building warmer, more comfortable and cheaper to run.



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?

Compliance in EPBR has been historically poor as with almost no enforcement due to under resourcing. As mentioned previously MEES has been effective because it has circumnavigated the enforcement through other professions such as lenders and solicitors. This enforcement by 'stealth' is a great way to show compliance rates improved. Air-conditioning inspections are part of the EPBR and yet this huge market is not enforced or complied with at all.

We certainly welcome the move to regulate more effectively estate/letting agents, as in most cases they are the only person that deals with consumers in terms of buying/renting, they must take responsibility to ensure that their clients act within the law. Good agents already do this, but rogue ones ignore rules and regulations, therefore ignoring items such as EPCs; thus contributing to a lack of enforcement especially in the rental market. This attitude has only changed because professional bodies such as lenders and solicitors are now beginning to understand the ramifications of owning/renting F and G rated buildings.

Again as mentioned elsewhere the graph from an EPC is not the EPC and is not helpful in order to motivate consumers to see what they can do to improve the building. Comparison websites and estate/letting agents should be able to link directly to the national register and obtain the necessary information and data.

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

We have no evidence in this field.



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 at Elmhurst believe that the following ideas will vastly improve compliance;

- a) Land Registry, to enforce that a new title can't be given unless a valid EPC exists. This will be enforced by Land Registry and Conveyancers for sales and some larger rental commercial buildings.
- b) Tenancy Deposit Scheme – make sure an EPC is in place before the deposit can be accepted.
- c) Better communication between Land Registry data, EPC Register data and Local Authority data – to capture and identify missing EPCs e.g. private rental properties
- d) Landlord Registration Schemes – should need prerequisite EPCs for all homes
- e) Building Regulations – all new build homes and buildings must have a SAP or SBEM calculation and EPC before sign off. Link this back to the Land Registry
- f) The national register for EPCs can actively help Regulators enforce the compliance through additional support services
- g) Accreditation Schemes should have an official route for energy assessors (and other stakeholders) to find instances of non-compliance, and a direct link to Regulators mechanisms to enforce action

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?

The low price of existing buildings EPCs drives down the perception of value to the sales and letting industry, who see very little benefit in EPCs. However they have been needed for other initiatives such as RHI, FiTS, ECO and MEES – the potential re-criminations of an incorrect EPC is now potentially massive e.g. unable to rent a commercial F or G rated building due to the EPC rating. With more triggers comes greater prominence of the assessment and the EPC and therefore acceptance of the true value of a good quality EPC is essential.

This call for evidence should be a way to ensure that more value can be placed in the assessors, the assessment and the EPC. In the new build and non domestic market, the product is more valued.

There are assessors who cover the whole country, but many of our members are very disillusioned by the value placed on EPC, with the advent of more policy surrounding the EPC e.g. MEES, these attitudes are beginning to change. Government and other stakeholders that want to piggy back on the back of assessments must also makes the necessary noise and create a value within the EPC supply chain.



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.

EPCs currently are a miniscule cost in the purchase or let of properties e.g. a domestic EPC can be £60 to £100. Re-using data may give some benefits to increasing accuracy, however will not necessarily increase speed or reduce cost. There is a real risk of 'unvalidated' data being used in the current building assessment if solely digital routes are taken.



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?

The essence of our response can be covered in 9 key points:

1. Energy Certificates always reflect the current state of the building and should be re-issued whenever there is a change that impacts upon the energy performance of the building and, to reflect current fuel prices, an EPC should lapse after one year to ensure that estimates and recommendations are relevant.
2. The planning and building regulations process often requires a prediction of buildings energy performance before construction starts. It is critical that the quality of such predictions is on par with the EPC and therefore they should only be undertaken by an accredited energy assessor whose activities are overseen by an approved scheme.
3. Display Energy Assessments be required for all buildings that are visited by members of the public including shops and offices, as well as buildings owned by government and local authorities.
4. Occupier engagement is restricted because the EPC is an asset rating for which the occupancy profile is not understood. Each EPC (asset rating) should be supplemented with an occupancy assessment that improves the energy consumption estimates and recommendations particular to the current occupier and their lifestyle. There is a need for independent advice and energy assessors are well positioned to provide this.
5. As EPCs are now being used for setting minimum standards it is important that they are consistent over time. Elmhurst believes that an EPC rating should be based on a fixed standard, such as primary energy, rather than a variable such as cost or carbon.
6. EPC data should, with reasonable controls, be open for stakeholders to use to demonstrate possible improvement, and to improve enforcement authorities by linking to Land Registry and Trading Standard systems.
7. Investment is required in the SAP, RdSAP and SBEM methodologies to ensure that results of real world testing is fed back, in a closed loop model, to constantly improve accuracy.
8. The approach to assessing Houses of Multiple Occupancy (HMOs) should be simplified as most can be assessed using RdSAP as a single dwelling.
9. No building should be exempt from requiring an EPC. PRS/MEES, and other legalisation, can then be amended to allow exemption based upon the restrictions placed by planning and conservation restrictions.