

**Final**



# **Consultation Response**

## **Energy Performance Certificate (EPC) Reform Consultation**

Prepared for: Scottish Government

Date: 10<sup>th</sup> October 2023

**Elmhurst Energy**

16 St Johns Business Park,  
Lutterworth, Leicestershire, LE17 4HB  
01455 883 236



**elmhurst  
energy**

## Introduction

Elmhurst Energy are pleased that the Scottish Government are seeking consultation on their Energy Performance Certificate (EPC) Reform and as such we are delighted to respond to each question in turn.

The consultation asked 19 questions and we have answered them all below. We hope you find the responses considered and useful for taking EPCs in Scotland forward in a progressive manner.

Elmhurst have lobbied for changes to the EPC metrics for many years, in all regions. We would like to see a more informative EPC with metrics for energy consumption, energy cost and carbon emissions. New Government policies can then link to the desired metric. The EPC must be retained as an information tool. Elmhurst would like to see the golden triangle of information – asset rating, occupancy rating and energy consumption to provide a better customer journey. We welcome a change to the validity period of an EPC and would like to see a new EPC lodged once there is a material change to the property and a maximum validity of 3 years.

## Questions and Answers

### 1. Do you agree with the set of metrics that we propose to display on the reformed EPC?

Elmhurst are delighted the Scottish Government are looking to show more metrics on the reformed EPC. Elmhurst have long campaigned for numerous metrics to be displayed on EPCs as shown recently in [The Elmhurst Almanac 2023: Turning the dial](#).

Energy Performance Certificates (EPCs) have been a fantastic tool in many ways for the decarbonisation of our buildings, but Elmhurst has been calling for changes since 2019. EPCs for homes were first introduced in England and Wales in 2007 as a cost metric. The A to G rating simply shows how cheap or expensive a home might be to run. But nothing more. Despite the current fuel price crisis, Government and public interest now goes far further than just cost. Elmhurst would like to see a more comprehensive and informative EPC, rather like food nutrition labelling. An EPC should show the “three Cs”: energy **consumption**, energy **cost**, and **carbon** emissions. These are the things everyone now cares about. Fortunately, the national calculation methodologies (SAP for homes and SBEM for non-domestic buildings) can present all three metrics (cost not available from SBEM) and we believe all three should be illustrated on the EPC. Every environmental policy and regulatory campaign can then align to one or more of those metrics, and we can measure progress more easily.

Furthermore, Elmhurst feel that the Heat Transfer Coefficient (HTC) value should be included and visible on the EPC. This should be considered alongside or in place of a fabric metric. It is a very useful tool for further understanding the buildings fabric heat losses and will assist in moving towards a fabric first approach to retrofitting.

Elmhurst strongly recommends consistency between domestic and non-domestic EPCs. This helps to build familiarity and simplicity and reduces complexity between approaches. Not only do Elmhurst recommend consistency between domestic and non-domestic, ideally consistency between regions is desired also. Many stakeholders that use the EPC are cross boarder and inconsistencies between regions result in mass confusion and misinformation.

## **2. Are there additional metrics that you think should be included on the EPC, or metrics that you do not think should be included?**

Please refer to our answer provided in Question 1.

## **3. Considering our proposal to include a Fabric Rating on EPCs, do you think this metric should include domestic hot water heat demand?**

Elmhurst believe that a fabric metric would be useful but we do not believe this would be a headline on the EPC. The proposal for an energy requirement to meet standardised internal conditions given typical external conditions (kWh/yr/m<sup>2</sup>) is perhaps more relatable on the EPC than say Heat Transfer Coefficient (HTC). However, it would mean that the measured comparison would be against total energy consumption, and it would not be obvious to the consumer whether the prediction matched the measurement due to the fabric performance, assumed internal or assumed external conditions. This would potentially open up the EPC to more ill-informed accusations of inaccuracy as we've seen increasingly. Elmhurst believe that the true fabric rating value using HTC would be a more valuable metric and easier for consumers to understand.

**4. Do you have a view on the way that the Fabric Rating mapped against a scale, for example, how 'A' or 'G' rated performance is determined?**

No strong opinion, as long as it is simple, clear and easily understood by all stakeholders. Consistency with other metrics is also recommended.

**5. Do you agree with our proposal to give more prominence to the energy efficiency features of the home (such as the depth of loft insulation)?**

Elmhurst agrees that energy efficiency features need to be better explained and clearly detail. The terms 'assumed, good, bad...' are currently referenced on the EPC which is misleading for consumers as it is perceived that this is something the energy assessor has entered. Using actual depths of insulation and explaining when default u-values are used is a much better approach. The key is to provide something that is simple, clear and easily understood by all stakeholders. Elmhurst feel rating the features can become subjective unless there are clear consistent public facing guidance and explanations for the ratings of each feature.

Elmhurst recommend that all items inputted and calculated should be available to the end user to allow for better data sharing and reduced ill-informed accusations of inaccuracy. *Sunlight is the best disinfectant*

**6. Do you agree with the set of metrics that we proposed to display on non-domestic EPCs?**

Please refer to our answer provided in Question 1.

**7. Are there any additional metrics that you think should be displayed, or any in the proposed set that should not be included?**

Please refer to our answer provided in Question 1.

## 8. Do you agree with us that the primary role of the EPC should be to provide basic energy efficiency information for the purpose of comparison and act as a prompt to consider retrofit options?

Yes, Elmhurst agree with this approach. It is key that the EPC remains as an information tool for consumers to base decision making on energy efficient and environmental improvements to their home.

Even as we speak, the EPC cost metric is still being used as a policy tool to reduce carbon emissions from housing and to tackle climate change. This doesn't work. EPCs must give equal focus to energy **consumption, cost** and **carbon** emissions for our homes to contribute to Net Zero, fuel poverty and energy security.

We need to tell the full energy efficiency story of a building. Elmhurst's 'Golden Triangle' of information is:

1. **Asset rating:** the predicted energy cost and consumption of the building, based upon nominal or average occupancy patterns. This is the current EPC.
2. **Occupancy rating:** the predicted energy consumption of the building, based on the people using it.
3. **Energy consumption:** what energy the building actually uses to run, ideally based on data from smart meters.

All three are invaluable pieces of information about a home or building, but using one in isolation only tells a part of the story and doesn't tell us where to focus improvements.

For the EPC to stay relevant and be the primary tool for retrofit then it must be updated regularly to reflect the building. An EPC is typically valid for 10 years and many are very out of date. Energy costs and savings available will have changed over time due to incremental property improvements, such as the installation of a new heating system, double glazing, or cavity or solid wall insulation. Elmhurst believes the EPC should be re-assessed and re-issued whenever there is a change to a building that impacts its energy performance. Any EPC should never be older than three years to maintain the relevance of estimates and recommendations.

Elmhurst strongly recommend the assessment methodologies are kept up to date to ensure EPCs are reliable and maintain the primary role in energy efficiency and retrofit. Last year, the hottest summer on record also saw the introduction of updated Building Regulations for England, Wales and Scotland. With these arrived the first major update in 10 years of SAP, the science-based national calculation methodology that underpins all energy assessments of new homes. This update has been most welcome. But there's more to be done. The development of SAP 11 (and associated SBEM and RdSAP methodologies) must reflect the impact of new proven technologies and innovation, and the changes in power generation that impact on

carbon emissions and prices. The models need continual investment to ensure they remain the best tools for the year-round assessment of all UK buildings.

**9. If you disagree or have further comments about the role of the EPC, please provide your comments.**

N/A

**10. Do you agree that the validity period of EPCs should be reduced from 10 to five years?**

For the EPC to stay relevant and be the primary tool for retrofit then it must be updated regularly to reflect the building. An EPC is typically valid for 10 years and many are very out of date. Energy costs and savings available will have changed over time due to incremental property improvements, such as the installation of a new heating system, double glazing, or cavity or solid wall insulation. Elmhurst believes the EPC should be re-assessed and re-issued whenever there is a change to a building that impacts its energy performance. Any EPC should never be older than three years to maintain the relevance of estimates and recommendations.

**11. We welcome any views on the usefulness of our proposals for other relevant policy areas, such as fuel poverty or the delivery of government schemes. Please provide any comments you wish to share.**

If the EPC is done well, with industry input and good governance, Elmhurst believe it will be a tool for all policy areas. Elmhurst would like to see a more comprehensive and informative EPC, rather like food nutrition labelling. An EPC should show the “three Cs”: energy **consumption**, energy **cost**, and **carbon** emissions. These are the things everyone now cares about. We believe all three should be illustrated on the EPC. Every environmental policy and regulatory campaign can then align to one or more of those metrics, and we can measure progress more easily.

Energy assessors could and should be at the front of that customer journey, advising on the choice of appropriate renewable technologies. While heat pumps are key, other technologies such as solar panels are also part of that picture, but all measures work best when the home is already well insulated, airtight and ventilated right. Government and industry should use the skills and knowledge of the 10,000 trained and accredited energy assessors who understand where there are opportunities for improvement. New technology can be confusing, but energy assessors are good at communicating the pros and cons of various renewable technologies and supporting installers with a cost effective and time efficient process.

## **12. Do you agree with our proposal that EPCs should move from PDF to webpage format?**

Yes, going to an online platform allows for better security and reduces potential abuse or fraud which is apparent with the use of PDFs. We found that when the rest of the UK went to a digital route, many stakeholders disapproved of the decision and were disheartened with not having a hard copy. We strongly recommend that if the register moves to a webpage format, the ability to download as a PDF is still available. The implementation of this needs to be well governed and communicated clearly to the public and other stakeholders.

There are situations whereby a printed or paper version will be required. For example, the non-domestic Energy Performance Certificate regulation in Scotland requires the EPC to be displayed “by fixing it to your commercial building” if it is “over 500 square meters and frequently visited by the public”. A simply solution needs to be available for building owners and occupiers.

## **13. Do you agree with our proposal to improve signposting to further support and advice schemes on the EPC?**

Yes we agree, it is in the Scottish Governments gift to provide information, support and advice to all stakeholders. The EPC is used in a number of ways and its purpose can be misunderstood. This is the perfect opportunity for promoting the use of the EPC and the next steps to improving homes and buildings. It provides a much better customer journey and allows for promotion of funding for retrofit and clarity of information for regulations that use the EPC. The importance of widespread consumer education around how to live and work in a more energy efficient way has never been more important than now. The advice of accredited energy assessors should also be sought to determine the right energy efficiency improvements householders and building owners should make, in the right order.

#### **14. Do you agree historical EPCs should be publicly accessible on the EPC register (while clearly marked as historic)?**

Allowing access to historic EPCs would provide stakeholders with a better ability to see progress of improvement. With the combination of a reduced lifespan of the EPC proposed (3 years) it will drive improvement and innovation in energy efficiency in buildings organically. Furthermore, we feel this should be easily accessible to potential buyers or occupiers so that they can see building/home owners have invested in their properties, in a similar way to a car service history. The continued improvement of the EPC rating likely increase the value of properties where improvements can be seen.

We would also recommend that this be implemented with the caveat that expired EPCs are clearly marked to reduce stakeholder confusion. Only the rating would be useful for expired EPCs as the EPC is no longer valid or usable for legal purposes but seeing the rating improve over time is the key part.

On a technical note, Elmhurst recommend that the inspection date be used as the rule for determining oldest to latest EPC. Do not use the issue date for this.

It is imperative to thoughtfully assess the repercussions of the recent alterations to carbon factors within the SBEM methodology, particularly in how they affect the comparison between past or historical EPCs and current ones. We strongly encourage the Scottish Government to ensure that the specifics of methodology updates, such as the recent adjustments to carbon factors, are transparently communicated to the public. This should include a clear delineation of the impact on assessments, making distinctions between older and newer EPCs evident. For instance, in the case of non-domestic EPCs, we have observed improvements from F and G ratings to C and B ratings with the adoption of the updated methodology. This transformation has led to some confusion within the industry. It is vital that methodology changes are effectively communicated to the industry in advance of their release, facilitating the proper dissemination of information. Failure to do so may risk undermining the industry's credibility.



## 15. Do you agree that the EPC register should be accessible by API?

Elmhurst welcome the prospect that EPC data be accessible via an API link and believe that this will encourage more EPCs to be lodged, to allow owners to better understand the buildings, which will lead to better retrofit and more efficient properties.

Elmhurst is concerned that the data is accessed for legitimate reasons, be used and stored securely and there be sanctions for misuse. We would propose that API licences are awarded to Approved Organisation under EPBR regulations and other bona fide organisations who have similar controls, i.e.

1. They are licensed by the Scottish Government which includes conditions of use; the license can then be withdrawn if data is misused
2. They are actively involved with building owners in the energy efficiency sector
3. They hold Cyber Essentials Plus certification

The data should be provided in its entirety and be capable of being reused in approved calculators for the purposes of modelling potential improvements.

## 16. Do you have any further comments on our proposals to move to a digital and accessible EPC?

Elmhurst and our members would be keen to see an improved addressing services. With the move to a digital solution, the address database must be improved. To amend or add addresses to the EPC register, energy assessors are quoted 3 – 10 working days. This greatly slows the EPC industry. Speed of process would be very welcomed by our members however maintaining a form of control is also vital. To allow government to monitor, report and track EPC lodgements, Unique Property Reference Numbers (UPRN) must be maintains with strict governance. We have seen a lack of consistency and control of the address database with the rest of the UK. Due to this EPC statistics are harder to understand and ensuring a property has an EPC can be difficult to confirm. This address database should be used for other areas of property information where possible to allow for linking of buildings to further information.

Elmhurst would also recommend the EPC register incorporates guidance and FAQs for EPCs to assist in sharing of information and reducing confusion around EPCs. This should be updated with industry such as Approved Organisations or detail sought via industry working groups such as the Energy Assessor Scheme Operating Board (EASOB). Any items or changes on the EPC should be detailed clearly and updated to reflect current concerns or questions on a regular basis.

## 17. Do you agree with our proposals to review and update the audit and assurance requirements for EPCs in Scotland?

The current process has shown notable effectiveness and marked improvement in recent years. We recommend that the Scottish Government collaborates with the industry to implement some of the advanced quality assurance methods utilised in other parts of the UK, such as Smart Auditing.

While enhancing Smart Auditing through a central register to flag EPCs for audit in cases where this may not be evident to a single Approved Organisation (e.g., assessors working across multiple Approved Organisations) is beneficial, it is crucial to maintain Approved Organisations' exclusive responsibility for sampling. This transparency and fairness are vital for assessors, and sharing audit sampling across organizations could jeopardize this.

Onsite auditing is already an option available to Approved Organisations and is employed in instances involving complaint investigations. However, it is logistically complex, may potentially influence non-representative behaviour by the auditee, and is considerably more costly, likely amounting to ten times the expense of a desk-based audit.

A comprehensive overhaul is unnecessary. Elmhurst acknowledges that "smart" auditing is an invaluable tool for identifying high-risk EPCs. This process has been tried and tested, with England and Wales adopting a smart auditing process since 2018 that effectively targets high-risk areas. The smart rules themselves do not flag an EPC as incorrect; rather, they signal potential inaccuracies in the data used to generate the EPC, prompting further audit by the Approved Organisation. Smart auditing serves to proactively address policy and external influences that may lead EPC users toward the path of least resistance, resulting in occasional minor inaccuracies in EPCs. Smart rules have proven effective in deterring and preventing subpar practices. It's important to emphasise that improved quality assurance relies not only on smart auditing but also on the entire governance framework and integrated processes implemented by Approved Organisations. Additionally, the Energy Assessor Scheme Operating Board (EASOB) enables collaborative industry efforts to ensure effectiveness, enabling Approved Organisations to adapt and respond to industry changes and proactively address potential concerns before they escalate into issues.

From an external perspective, the selection of EPCs for audit may appear straightforward. However, it entails a significantly intricate procedure from initiation to conclusion. Elmhurst believes that the suggested approach of having the register solely handle audit selection might encounter challenges in practice, given the interrelated nature of numerous processes and systems associated with auditing. Elmhurst advocates for a cautious approach, urging us not to embark on reinventing established mechanisms without duly weighing potential unintended repercussions.

### **18. Please detail any additional assurance activity that you think would be appropriate to enhance the accuracy and reliability of EPCs.**

We would engage with the Scottish government to collaborate with the industry in implementing quality assurance procedures, akin to the Smart Auditing methods employed in various regions of the UK.

England and Wales, already have a very effective way of improving and adopting new quality assurance procedures. This is current part of the remit of the Energy Assessor Scheme Operating Board (EASOB). Approved Organisations, assessor and industry requirements and “rules” are discussed and defined by industry and approved by government. This allows us to move with the changing industry as detailed in Question 17. We recommend further use of this governance to ensure any additional activities are properly considered by industry in this forum.

### **19. Do you have a view on our timeline for reform implementation?**

Elmhurst would support the implementation of the proposals as soon as possible. The need to invest in the Scottish EPC, a digital solution and to come in line with the rest of the country is needed urgently. We would recommend at least a 6 months time frame to allow for stakeholders to be made aware of changes and understand any new processes. We would also recommend that if possible, the changes are aligned with RdSAP 10 or SAP 11. Changes do tend to have a detrimental impact to industries in the short term however we believe many of the changes proposed in the consultation along with our recommendations will result in a more resilient and effective industry in the long term. Depending on the level of sophistication, and how much it diverges from what has already been implemented in the UK, smart auditing may take longer to implement.

## Contact Details

Should you require any further clarification, please contact us at:



Elmhurst Energy  
16 St Johns Business Park,  
Lutterworth,  
Leicestershire,  
LE17 4HB



01455 883 250



[enquiries@elmhurstenergy.co.uk](mailto:enquiries@elmhurstenergy.co.uk)



[www.elmhurstenergy.co.uk](http://www.elmhurstenergy.co.uk)



elmhurst  
energy