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Consultation Response

Scottish EPC Register Lodgement Fees & Penalty Charges

Prepared for: Scottish Government

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1. Introduction

Elmhurst Energy are pleased that Scottish Government are seeking a on 'Scottish Energy Performance Certificate Register Lodgement Fees and Penalty Charges' and as such we are delighted to respond to each question in turn.

The Consultation asked 7 questions and we have answered them all below. We hope you find the responses considered and useful for taking 'Scottish Energy Performance Certificate Register Lodgement Fees and Penalty Charges' forward in a progressive manner.

2. Questions and Answers

1. To what extent do you support or oppose the Scottish Government's proposal that elements of the EPC regulatory regime which provide direct benefits to service users should be funded through a statutory fee levied on lodgement of each EPC? The elements of the regime which provide direct benefits are the Register, Calculation Methodology, and on-site Audit & Inspection function).

Somewhat support - Elmhurst broadly support the proposal providing it offers direct benefits to the end users. A well thought out and high-quality EPC system is essential for ensuring accurate energy performance assessments, which in turn support informed decision-making by property owners, prospective buyers, tenants, and policymakers. Transparency is key with regards to how the fee is set and reviewed. There a large number of stakeholders that use that information to drive policies and we should be defending the value of that data. As such, we believe that there are other stakeholders that will benefit from the change in register and the data available, yet it seems it is just the energy assessor that will bear the brunt of the cost. It does seem ironic that the domestic central fee will then be higher than what the accreditation schemes charge for lodgement. The financial impact on the assessors and in turn the property owners must be minimal. There must be clear guidance on how the additional revenue will enhance the quality of an EPC and in turn consumer confidence.

2. To what extent do you support or oppose the Scottish Government's proposal to raise the statutory fees levied upon lodgement by £3.40 for both domestic and nondomestic EPCs? This rise is in order to meet the cost of the three elements of the EPC regulatory regime.

Somewhat oppose - Whilst Elmhurst support the raising of fees and see it as a necessary step, it is quite a significant jump. There should be transparency to show where the improvements are being made to the consumer: Scottish wrapper to HEM, on site auditing and inspection function, improved function of the EPC register. We should also see an increase in revenue for the register from the validity period dropping to every five years and this should be factored in. Elmhurst feel the need to raise that the increase will represent a big difference to current UK lodgement fees, and depending on the strand the EPC is lodged on could actually be more expensive than the lodgement fee applied by schemes.

3. To what extent do you support or oppose the Scottish Government's intention to review the lodgement fee level within two years of the new Regulations coming into force, to ensure they remain appropriate?

Somewhat oppose - This should be done annually, based on lodgement activity and current methodology updates to show all stakeholders that value for money is being achieved.

4. To what extent do you support or oppose the Scottish Government's intention to review the new on-site Audit & Inspection function within two years of the new Regulations coming into force, to see if it remains appropriate?

Neither support nor oppose - Elmhurst welcome anything that results in a more accurate and compliant EPC, in turn improving consumer confidence. Regular reviews of the auditing function is welcomed, it needs to be well thought out up front to avoid unnecessary changes at a later date. This should be in collaboration with the schemes and not in isolation to avoid inconsistency.

5. What are your views on the appropriate level of penalty charges under the new Regulations going forward?

Elmhurst agree with the proposal as long as the penalty charge exceeds the cost of carrying out either a domestic or non-domestic EPC in person.

6. To what extent do you support or oppose the Scottish Government's intention to review the level of penalty charges within two years of the new Regulations coming into force, to ensure they remain appropriate?

Somewhat support - These should be reviewed as appropriate.

7. Please provide any other commentary or observations you have on funding of the regulatory functions through lodgement fees, proposed in this consultation. Where practical, please provide examples or evidence to support the issues you raise.

1. The central register currently does not host Air-conditioning Inspection Reports; however, certificates are still produced. Elmhurst recommends that these certificates be hosted on the register in the future to improve accessibility and transparency.
2. Display Energy Certificates, although produced under Section 63, have potential for broader utilisation. Elmhurst suggests exploring ways to maximise their application.
3. Historically, Energy Assessors had the ability to make direct lodgements to the register. However, EAs are now required to lodge through an approved Scheme. Elmhurst seeks assurance that no "backdoor lodgement facility" exists, ensuring consistency and compliance in the process.

Contact Details

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