

# The Chartered Institute of Building (CIOB)

submission to

## The Ministry of Housing, Communities & Local Government and The Department for Energy Security & Net Zero

on the consultation

### Reforms to the Energy Performance of Buildings regime

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#### Reforms to the Energy Performance of Buildings regime

#### Introduction

The Chartered Institute of Building (CIOB) is the world's largest and most influential professional body for construction management and leadership. We have a Royal Charter to promote the science and practice of building and construction for the benefit of society, and we have been doing that since 1834. Our members work worldwide in the development, conservation and improvement of the built environment. We accredit university degrees, educational courses and training. Our professional and vocational qualifications are a mark of the highest levels of competence and professionalism, providing assurance to clients and other professionals procuring built assets.

#### Background

CIOB is broadly supportive of the intentions to reform the Energy Performance of Buildings (EPB) and associated Energy Performance Certificate (EPC) regimes as set out in this consultation.

The current system for assessing EPCs has been subject to much criticism, with many pointing to the inconsistent assessment process and lack of trust that has been built up as a result of this.

It should be acknowledged that a greater variance and weight of metrics used to measure EPCs could generate more positive, actionable recommendations for consumers on ways to improve the efficiency of their building and therefore reduce energy bills. However, there are key points that we raise in this consultation that must be considered when making such significant reforms.

Full response

• Question One: To what extent do you agree or disagree that information using an energy cost metric should be displayed on EPCs? Please select one option for each building type.

Domestic buildings

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

Non-domestic buildings

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

If you wish, please explain your reasoning, and provide any evidence to support your view.



Broadly, CIOB agrees that a cost-based metric should not be the sole, headline metric to determine EPC ratings for non-domestic properties.

As outlined in the supporting documentation, assumptions based on fuel prices are subject to regular fluctuations because of general economic conditions, unpredictable events, as well as other factors. This makes it an unreliable metric for capturing the actual efficiency of a building.

However, we still believe that cost should be considered as one of the important metrics, if it works in tandem with other metrics outlined in this consultation. Excluding cost metrics could limit the information a consumer has access to ahead of purchasing a property, creating an unfair and unbalanced purchasing environment where the power is placed in the hands of the seller rather than split equally as those purchasers will not understand the potential cost implications of heating a property. This, this could also disadvantage consumers seeking to buy or move into a property, as they will not understand the costs implications of heating a property. This could be particularly harmful for lower income households who may be facing fuel poverty.

For non-domestic properties, it is important to include a cost metric as one of the primary assessment criteria. Given that businesses renting properties will likely be keen to understand the potential heating costs they may incur while in occupation, not including a heating cost metric could negatively impact business decisions if those making the decisions are not aware of potential overheads.

• Question Two: To what extent do you agree or disagree that information derived from a fabric performance metric should be displayed on EPCs? Please select one option for each building type.

Domestic buildings

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

Non-domestic buildings

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

If you wish, please explain your reasoning and provide any evidence to support your view.

We believe that fabric performance should be one of the key metrics to assess a building's energy performance.



Using the fabric performance of a building will help consumers to understand where heat is being lost in a property and what measures could be taken to address this. It will also help consumers to better understand the impact that upgrades such as insulation are making to the overall performance of their building.

Thermal performance and the ability for a building to retain heat should be key indicators and often have more of an impact on running costs than estimated heating costs.

Whilst we support the inclusion of a fabric performance metric, we would be keen to see a definition of what areas would be in scope of this metric, i.e. insulation, windows, cavity walls, etc.

It must be considered when assessing heat performance, if a building shows poor indicators of construction quality, the actions taken to address and remediate may be expensive and require significant disruption to building occupiers. It must also be considered that many upgrades required to improve the fabric performance of a building will not be covered by existing government grant schemes, which may make it harder for targeted actions to be taken in the current economic climate.

With this in mind, it will be important for any metric on fabric performance to operate in tandem with other metrics on heating system where grant funding is available.

• Question 3: When evaluating the fabric performance of buildings, which methodology do you think should inform the basis of calculating a fabric metric? Please select one option for each building type.

Domestic buildings

- No preference
- Don't know
- FEES
- HLP/HTC
- Other

Non-domestic buildings

- No preference
- Don't know
- FEES
- HLP/HTC
- Other

If you wish, please explain your reasoning and provide any evidence to support your view.

CIOB is not best placed to answer this question. Views should be taken from those with expertise in this area.



• Question 4: To what extent do you agree or disagree that information based on a heating system metric should be displayed on EPCs? Please select one option for each building type.

Domestic buildings

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

Non-domestic buildings

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

If you wish, please explain your reasoning and provide any evidence to support your view.

We strongly agree that a building's heating system should be one of the primary factors determining the outcome of an EPC. Understanding the impact of a heating system on the performance of a building will be crucial in helping users recognise what improvements they can make, if any, to decarbonise or use alternative heating systems to reduce energy costs.

However, while we support the use of this metric, design needs to be carefully thought through to ensure considerations around the cost of alternative heating systems as well as their suitability are considered.

As CIOB has outlined before, the reality is that more energy efficient heating systems, such as heat pumps, often have significantly increased installation costs and do not often reduce a consumer's energy bills in the short-term. The lack of transparency around this point has only served to damage consumer confidence as evidenced by the lack of uptake for the Government's Boiler Upgrade Scheme (BUS), which provides funding to help homeowners replace outdated, carbon-intensive gas boilers with air or ground source heat pumps.

Almost £90 million of the £150 million initially allocated to BUS went unspent, according to reports in 2023, while 95 per cent of the £1.5 billion funding for the now-defunct Green Homes Grant (GHG) was not claimed.<sup>1</sup>

In terms of the cost of installation, while the BUS grant funding was increased to  $\pm 7,500$  per household in 2023, this still falls short of average installation costs ( $\pm 10,000$  on average for an air source heat pump and  $\pm 24,000$  for ground source). At the same time,

<sup>&</sup>lt;sup>1</sup> The Times, <u>Heat pump grants do not go far enough. We need a Help to Fix loan</u>, 27 October 2023



there are instances in which a heat pump may be more expensive to run than traditional gas boilers, such as in colder temperatures, whilst incorrect maintenance and upkeep can lead to heat pumps becoming less efficient, therefore not showing the potential for savings to be made on upfront heating costs.<sup>2</sup> <sup>3</sup>

Given the Government has placed a clear priority on heat pumps as the preferred heating system in the UK, more needs to be done to ensure that consumers have as much help as possible to cover the installation of a more expensive heating system. Without this assistance, consumers will simply not make the switch, as has been seen with the previous grant schemes above which failed to generate significant uptake.

Alongside this challenge, as highlighted in our response to the 2024 Future Homes Standard consultation, with complex systems such as heat pumps regular maintenance and upkeep is important to ensure maximum efficiency.

The Renewable Energy Hub UK has provided useful information on heat pump maintenance which demonstrates that, if not properly maintained, ground source heat pumps can lose up to 25% of their efficiency.<sup>4</sup> They also require yearly maintenance and checks by qualified professionals. If the intention for heat pumps or an alternative more complex heating system to be given priority in the new EPC measurement system, then it is imperative that consumer information and advice on how to properly maintain and upkeep these systems accompanies any advice given by assessors.

Lastly, as noted by the National Audit Office (NAO) one of the key failings of the GHG was that it did not attract the expected number of applicants within the timeframe set out by government. This was for several reasons, predominantly because of the lack of confidence from consumers in the scheme due to either delays in issuing payment vouchers for the Grant or from significant difficulties in finding certified installers (with only 248 installers registered with TrustMark by November 2020).<sup>4</sup>

There is a real need for the Government to ensure that there is a skilled, trained and qualified pipeline of installers in place if primacy is to be given to heating systems such as heat pumps. A lack of trusted installers will only slow down the process of upgrading homes and act as a disincentive for consumers to push ahead with new technologies.

It may also be the case that certain properties are not suitable for heating systems such as heat pumps, such as listed or heritage buildings. This needs to be considered when providing advice on improving heating systems. Therefore, advice to consumers must be targeted towards those who are eligible for grant funding such as the BUS and have a property that is suitable for an upgrade.

On non-domestic buildings, it may be the case that some buildings have more than one heating system which needs to be considered during the assessment process to provide adequate advice on potential improvements.

<sup>&</sup>lt;sup>2</sup> The Times, <u>Heat pump grants do not go far enough</u>. We need a Help to Fix loan, 27 October 2023

<sup>&</sup>lt;sup>3</sup> Cowley Group, <u>Does a heat pump increase your energy bill</u>, 16 February 2023

<sup>&</sup>lt;sup>4</sup> National Audit Office, <u>Green Homes Grant Voucher Scheme</u>, September 2021



• Question 5: What are your views on the design principles and the scope for a Heating System metric? Please provide evidence where possible.

CIOB is not best placed to answer this question. However, one point of concern is the suggested ranking system for heating systems. Whilst we agree that more sustainable solutions should be prioritised, heating systems that the Government 'ranks' highly may not be suitable for all properties, which may unfairly penalise those who cannot install them in their homes.

There is also the cost point to consider. Not all consumers may be able to afford to install the highest ranked solutions, many of which are only part funded by government grant schemes, disadvantaging low-income households.

Additionally, significant market intervention of this kind will have knock on effects for companies providing what the Government considers to be 'low' ranking heating systems. Whilst we do not disagree with the principle of setting preferences, as has be done in many instances in recent years, government must be aware of the economic consequences of these actions.

It must also be considered that the failure of previous grant schemes for energy efficient heating systems has led to consumer suspicion within the installation market (as highlighted in our answer to Question 4). Therefore, priority heating systems must come with sufficient backing and grant funding to encourage uptake, and the availability of trust installers must be considered if the Government intends to push heating systems where locally sourced, trained installers, may not be readily available.

Our final point is on the use of fuel availability in the design of the heating system metric. Many new technologies, such as heat pumps, consume significantly more electricity to function. At present there are serious concerns with the capacity of the current electrical grid, which in some instances has presented both a barrier to new development and a barrier to the use of technologies such as heat pumps.

An example of this can be seen in Oxford where a new development of 90 new homes had to switch from proposed heat pumps to traditional gas boilers as a result of the National Grid stating that there would not be enough available power to connect the new homes with heat pumps. Oxford City Council has also experienced whole developments grinding to a halt because of limited or constrained electrical grid capacity.<sup>5</sup>

This must be taken into consideration, if grid infrastructure is not improved then there will be serious limitations on the ability for all homes to have more efficient systems such as heat pumps.

• Question 7: What are your views on the definition, design principles and the scope for a smart readiness metric? Please provide evidence where possible.

Given the issues we have identified above around the capacity of the electrical grid it is important to promote smart systems that are better able to understand and manage

<sup>&</sup>lt;sup>5</sup> The Guardian, <u>Capacity crunch on National Grid is delaying new homes in UK by years</u>, 10 March 2024



usage. It will also be important to encourage systems that store electricity in house to reduce demand on the grid.

In terms of the appliances that should be recommended as part of this metric's design, CIOB are not best placed to comment. However, we must urge government to carefully consider making blanket recommendations for the installation or purchase of smart technologies.

Whilst these systems come with benefits in terms of energy use, they are often expensive and require significant maintenance and upkeep, something that many households may not be able to afford, especially given the current cost of living crisis.

Making blanket recommendations for technologies may disadvantage those households that cannot afford to make such upgrades. The accompanying consultation documentation states that this metric should "provide a comprehensive assessment that is both informative and actionable for stakeholders." CIOB would be interested to understand to what extent will this metric make allowances for the cost of smart upgrades and the financial situation of building owners, operators or occupiers. If it does not take this into account the argument could be made the comprehensive assessment provided as part of this metric may, in many instances, not be actionable.

Alongside this, when looking at certain smart technologies, such as smart meters the Government must acknowledge and understand some of the recent criticism centred around their accuracy and operation.

In March 2024, the Department of Energy Security and Net Zero reported that almost four million smart meters in Great Britain were not working properly (not in smart mode). This means they were not working as intended and leaving consumers relying on estimated energy cost to calculate their monthly energy bills.<sup>6</sup>

In a letter to the Secretary of State for Energy Security and Net Zero, founder of MoneySavingExpert.com, Martin Lewis, outlined that alongside faulty meters, repairs have been slow to progress, with resources being targeted towards installations, "leaving customers frustrated and at risk of mis-billing and further problems".<sup>7</sup>

The Government must understand what impacts recommending smart meters in their current form may have on consumers and whether they will work as intended to reduce the reliance on estimated cost energy bills. If government are not confident that smart meters can operate as intended or that those which are not functioning correctly can be fixed, then it would be unwise to have them play a key role in the smart readiness metric.

• Question 8: To what extent do you agree or disagree that information from an energy use metric should be displayed on EPCs? Please select one option for each building type.

<sup>&</sup>lt;sup>6</sup> BBC, <u>Almost four million smart meters not working properly</u>, 26 March 2024

<sup>&</sup>lt;sup>7</sup> The Guardian, <u>'A mess': energy suppliers face scramble to install smart meters in UK homes</u>, 89 February 2025



Domestic buildings

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

Non-domestic buildings

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

If you wish, please explain your reasoning and provide any evidence to support your view.

It is our opinion that energy use should be one of the defining characteristics of the new EPC measurement system. As set out in the consultation supporting documentation, energy use can better measure the real efficiency of a building. It would also help users understand where their energy use is coming from and can lead to targeted actions to reduce that usage if needed.

We also agree that a metric outlining energy use would allow users to compare their use to other buildings of similar size and type to understand what actions they can take. Whilst we agree that this measure will derive less fluctuation in comparison to metrics such as cost, it must be acknowledged that energy use will be subject to some fluctuation during high and low weather seasons as well as unpredictable weather events.

The only additional point worth considering is that, while this metric will be based on predicted use, it would be wise to build in a review mechanism, using data on actual energy bills, to understand how well predictions match up to reality to ensure it is working as intended.

• Question 9: If an energy use metric is to be displayed on Energy Performance Certificates (EPCs), which type of energy use measurement should be used to calculate this metric? Please select one option for each building type.

Domestic buildings

- No preference
- Don't know
- Delivered energy
- Primary energy
- Other (please specify)



Non-domestic buildings

- No preference
- Don't know
- Delivered energy
- Primary energy
- Other (please specify)

If you wish, please explain your reasoning and provide any evidence to support your view.

In our response to the Future Homes Standard (FHS) consultation we made it clear we do not believe that using primary energy as the principal performance metric in the Building Regulations is the appropriate approach.

Primary energy is a complex metric with factors that rely on conversion factors that change over time, making it difficult to track progress and compare performance against other dwellings.

It will also become less relevant as the electricity grid decarbonises. It also favours gas over electricity, going against heat decarbonisation objectives.

Finally, primary energy is also a confusing metric which cannot be measured or understood by residents and occupants. This limits opportunities to engage them in understanding and managing energy use which is crucial in improving performance.

Instead, we must start regulating the amount of energy used by a building. We suggest that operational or 'delivered' energy is a more effective metric. The metric is already well known and understood within the sector as well as by building owners and occupiers.

Using operational energy as the key metric in the FHS would also allow for benchmarking and minimum standards to be easily established based on building type, driving further innovation within the built environment.

Having a fabric energy efficiency metric could result in positive outcomes, but it should be an absolute metric based on space heating demand.

In this instance, it is important to provide consistency. If building regulations and EPC measurement metric are derived from two different approaches this could cause undue confusion between the two systems. Regardless of which energy metric is used in this instance, we urge Government to push for harmony between the FHS and future calculation of EPCs.

• Question 10: To what extent do you agree or disagree that information from a carbon based metric should be displayed on EPCs? Please select one option for each building type.

Domestic buildings

• Strongly disagree



- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

Non-domestic buildings

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

If you wish, please explain your reasoning and provide any evidence to support your view.

We agree that including a carbon-based metric within the new EPC measurement system will be important for users of both domestic and non-domestic buildings to understand the performance of their buildings.

We agree it should not be the primary metric, as energy use, fabric performance and heating system will provide more of an indication of the targeted actions that must be taken to improve a building's efficiency. However, we feel providing carbon use in tandem with other metrics will still be useful for users, helping them understand the contribution they are making to climate change.

If the sole purpose of the new EPC system is to incentivise retrofitting measures, then the measurement of carbon emissions will not be as useful as energy systems in homes and non-domestic buildings continue to decarbonise. However, if the intended use is, in part, to inform prospective buyers and renters of the full picture of a property then a carbon-based metric remains useful, especially in instances where consumers are more carbon conscious.

It is worth noting, whilst there is a better understanding of carbon emissions amongst consumers, to some this language is still considered technical, as noted by Which? in their recent report on transforming EPCs. In the report, they state "householders recognised the importance of [carbon emissions] but struggled to engage with the information due to the technical language used. This points to a fundamental issue in the sector regarding consumer awareness and understanding of terms such as carbon emissions."<sup>8</sup>

It will therefore be necessary to provide simple, easy to understand information alongside EPC assessments of what the carbon metric means and why it is important for consumers to understand.

• Question 11: To what extent do you agree or disagree with incorporating smart metering technologies, like SMETERS, into the energy performance

<sup>&</sup>lt;sup>8</sup> Which?, <u>Transforming EPCs: Consumer Research Insights and Recommendations</u>, 27 September 2024



assessment framework for buildings? Please select one option for each building type.

Domestic buildings

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

Non-domestic buildings

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

If you wish, please explain your reasoning and provide any evidence to support your view.

#### See answer to Question 8.

• Question 12: Do you have any views on key transition issues?

The information set out in the consultation around a transition between the previous and future EPC measurement system seems sensible. The process will take significant time, and the onus will be on the Government to ensure that consumers correctly understand a new measurement system.

We recommend the Government undertakes a promotional campaign in coordination with trade bodies, professional bodies, the media and other built environment organisations with access to significant number of consumers, such as the New Homes Quality Board and various ombudsman services to provide easy to understand, accessible information about future changes.

However, we are concerned the new metric measurement system may downgrade significant numbers of properties. We understand that the accompanying consultation document states that "It will not be possible to have direct equivalence between all old and new metrics because they will be measuring different things".

Given this possible risk, it will be important for the Government to build in a monitoring system to understand the number of properties that have had their EPC ratings downgraded because of metric changes. A large swath of properties being downgraded could have adverse impacts on the buying and selling market and could negatively impact those households who are not able to upgrade their properties because of financial pressures, potentially trapping people in their properties.



We understand that grant funding is available for energy efficiency upgrades. However, as detailed earlier in our response, these grants do not go far enough to provide low-income households with the monies necessary to bridge the gap between funding and installation costs. We recommend a monitoring system is put in place to capture live data around those properties that have been downgraded to understand what impacts these changes are having.

We understand the results of this consultation and reform would apply to both England and Wales but understand similar consultations have taken place in Scotland. We note from the Scottish Government response to the consultation that they also intend to reduce the validity period for EPCs as well as introduce new metrics for assessment including fabric rating, heating system type, cost rating, emission rating and energy indicator.<sup>9</sup> Whilst there is certainly synergy between the Scottish reforms and those proposed in this consultation, we recommend harmonising the system as much as possible to avoid confusion.

In the same vein, given changes to the way that homes will be construction because of future regulation changes, such as the Future Homes Standard, government must assure that as much harmony as possible is derived from the outcome of these new regulations.

- Question 14: To what extent do you agree or disagree with the approach for any changes to validity periods to only apply to new EPCs?
  - Strongly disagree
  - Disagree
  - Neither agree nor disagree
  - Agree
  - Strongly agree

If you wish, please explain your reasoning and provide any evidence to support your view.

#### We recommend that Government communicated with the Chartered Institute of Housing on this matter as they have more advanced views on the subject.

- Question 15: To what extent do you agree or disagree that a new EPC should be required when an existing one expires for private rented buildings?
  - Strongly disagree
  - Disagree
  - Neither agree nor disagree

Agree

• Strongly agree

If you wish, please explain your reasoning and provide any evidence to support your view.

<sup>&</sup>lt;sup>9</sup> Scottish Government, <u>Energy Performance Certificate reform consultation response</u>, 30 January 2025



In recent years CIOB has been active in calling for greater parity in the housing market between consumers and sellers. This has been particularly in relation to new-build housing and ensuring that consumers have access to adequate recourse in the event of quality failures in the purchasing and occupation phases. Our position is established in our December 2022 report "<u>New-build housing - how regulation can improve the consumer journey</u>." Our position includes ensuring that consumers have access to all relevant available information throughout the purchasing process, including information about the condition of a property, its relevant covenants and documentation around its sustainability characteristics.

Whilst this still applies to new-build housing, the principle of creating an informed consumer carries over to the private rented market.

A new EPC should be required in the private rented sector when a previous EPC's validity has elapsed. With this information, potential future tenants will be able to better understand their likely energy costs. Similarly, tenants in situ will be able to better understand what measures they may be able to take to reduce their upfront energy costs.

Lately, regular EPC measurements may encourage landlords to make upgrades to their properties.

However, we understand that landlords, particularly in the social rented sector, have had significant issues in accessing their properties while tenants are in situ. We recommend speaking to the Chartered Institute of Housing (CIH) in relation to this matter. Many CIH members operate in the social and private rented sector to understand if these issues are also being experienced in the private rented sector. They may also have more advanced and informed views around the cost to landlords of having to regularly require new EPC measurements.

- Question 16: To what extent do you agree or disagree that the regulations should be amended so that a property must have a valid EPC before it is marketed for sale or rent?
  - Strongly disagree
  - Disagree
  - Neither agree nor disagree
  - Agree
  - Strongly agree

If you wish, please explain your reasoning and provide any evidence to support your view.

As above, we agree that properties should have a valid EPC before being marketed for sale or rent to ensure consumers understand the purchase or financial commitment they are making. Ensuring that all properties must require a valid EPC before sale would also help consumers financially plan for any energy efficiency upgrades they may be required to make.



As with any large swath of regulatory changes it is important that, where possible, there is consistency with systems in Wales, Scotland and Northern Ireland to avoid confusion for those selling or purchasing properties in the devolved nations or across borders.

- Question 21: To what extent do you agree or disagree that we should remove the exemption for landlords from obtaining an EPC for buildings officially protected as part of a designated environment or because of their architectural or historical merit?
  - Strongly disagree
  - Disagree
  - Neither agree nor disagree
  - Agree
  - Strongly agree

If you wish, please explain your reasoning and provide any evidence to support your view.

We agree with the proposals to remove the exemption for landlords from obtaining an EPC on buildings officially protected as part of a designated environment or because of their architectural or historical merit.

With a better understanding of the emissions in heritage buildings, better advice can be given on how to make improvements whilst simultaneously preserving their archaeological and historical significance. Experts in the heritage sector have criticised the use of EPCs in their current form for heritage buildings as many buildings would obtain a default low score due to the increased cost of heating buildings with listed aspects. A new system for calculating EPCs, that considers better information and data may help to stop heritage or listed buildings from being 'left behind' when it comes to targeted, bespoke upgrading.<sup>10</sup>

However, the Government must ensure that recommendations for these types of buildings are targeted, and assessors do not default to making the same recommendations as traditional buildings.

- Question 30: There is a proposal to remove the general prohibition on sharing data gathered under the EPB Regulations and replace it with a Secretary of State discretion about when, how and with whom to share the data. To what extent do you agree or disagree with the proposal?
  - Strongly disagree
  - Disagree
  - Neither agree nor disagree
  - Agree
  - Strongly agree

If you wish, please explain your reasoning and provide any evidence to support your view.

<sup>&</sup>lt;sup>10</sup> Architects Journal, <u>The EPC system is no longer fit for heritage buildings</u>, 9 June 2023



The proposals to open Register data for utilisation of more informed policies and initiatives seems sensible. Our only caveat is to ask that examples are given for how the Secretary of State would exercise their discretion to share Register. These examples would allow for a concrete answer to this question.

• Question 32: What are your views on the approach to using existing data, while balancing accuracy and practicality?

In this instance, CIOB is not best placed to say whether the approach to using existing data is sensible. We understand that historical data on EPC measurements might help to alleviate some of the resource pressure that the industry will experience when the first wave of new EPCs are required. However, it seems counter-intuitive to pull from existing data, which has been acknowledged to be insufficient in capturing the real carbon impact of a building.

Despite some homes having no material changes from previous assessments, the new metrics used in the assessment process will change the importance of certain aspects of the home, retaining the need to re-assess a home under the new system.

Using existing data, which does not consider some of the important metrics suggested in this consultation may put undue influence on what is 'new' since an EPC measurement was last undertaken, rather than acknowledging that the previous measurement system was flawed in the first place. Essentially, it may disadvantage those who have not made upgrades since their last measurement but may not need to when taking into account all new metrics.

- Question 33: To what extent do you agree or disagree that Accreditation Schemes should be given more responsibility for overseeing the training of energy assessors?
  - Strongly disagree
  - Disagree
  - Neither agree nor disagree
  - Agree
  - Strongly agree

If you wish, please explain your reasoning and provide any evidence to support your view.

As a chartered professional body, CIOB is keen to promote competence and professionalism in the construction sector and wider built environment. We are therefore pleased to see that more accreditation and excellence will be promoted amongst those undertaking EPC assessments.

We agree with the supporting documentation to this consultation that states "improving trust in the accuracy of assessments and subsequent recommendations would increase the effectiveness of the EPC as a tool to reduce carbon emissions". There are well-evidenced and longstanding concerns about the accuracy and consistency of EPC ratings. A survey of 16-member companies conducted by the <u>Better Buildings</u>



<u>Partnership</u> found only 17% of respondents believed that EPCs are useful in identifying energy efficiency upgrades.<sup>11</sup> Many of these concerns derive from the interpretation of the values. The wide use of default values and poor assessment practice have all contributed to significant inconsistencies and variations in assessments.

A study from property marketing company Spec has estimated around 2.5 million EPCs are being inaccurately rated due to poor size measurements. The study also found property area is one of the largest contributing factors to ratings. However, this tends to be one of the least accurate measurements with around 1 in 4 EPC ratings mismeasured by at least 10% of their size, and of those, 1 in 4 are out by at least 100 square feet.<sup>12</sup>

If consumers have greater trust in the accuracy of EPC measurements and associated advice on measures to take to upgrade their rating more people may act on this advice and progress with energy improvement upgrades.

However, while we support the principle of working with accreditation schemes to upskill assessors and ensure more accurate ratings, more detail is required before we can comment on whether this would be something we would support.

Firstly, we are keen to understand the list of schemes that government plan to funnel assessors through, at what point this training would be required, if it will be mandatory or voluntary, and what enforcement would be in place should assessors not undertake this training.

Secondly, it must be acknowledged there will be a large swath of people needing to undertake this training prior to the establishment of the new measurement system. It is therefore likely more than one accreditation scheme will be needed. We are keen to understand what measures are being put in place to ensure multiple accreditation schemes will provide consistent training and assessment to avoid variance in quality and standards.

It also appears from the supporting documentation that the burden will be on the accreditation schemes if assessors are not adequately trained in the new measurement system. In this instance, the burden should be on both the accreditation scheme and the assessor to upskill and ensure competence. This will be especially important in the assessment of specialist buildings, such as heritage buildings which will require specific, bespoke skills to assess correctly.

We recommend working with professional bodies like CIOB to ensure that the assessment criteria, methodology, enforcement and responsibility align with best practice in the industry.

• Question 34: Do you have suggestions for other actions which could be taken to improve the accuracy and quality of energy assessments, or to help identify fraud in EPC assessments?

<sup>&</sup>lt;sup>11</sup> Better Buildings Partnership, <u>Energy Performance Certificates for Buildings – Call for Evidence</u>, October 2018

<sup>&</sup>lt;sup>12</sup> Spec, <u>Risks and costs of mismeasurement in residential property</u>, 8 March 2019



In line with the purpose of this consultation, we are concerned about the importance that is currently placed on EPCs as a tool to guide homeowners and landlords to make energy efficiency improvements.

It is our opinion, at present, EPCs are viewed as more of a 'tick box' exercise with little regard given to their content or any recommendations for improvements beyond those required to sell homes. The Citizens Advice Scotland (CAS) supports this view. In July 2020, CAS gathered feedback on how EPCs are perceived and understood by consumers. One of the key findings of this work was that EPCs, in their current form, are not considered useful and most homeowners "just put them in a drawer".<sup>13</sup>

If greater weight and priority is put on EPCs as a tool to make a positive impact on consumer's energy bills and their ability to heat their home, greater weight might also be given to their results.

Whilst more information does not always mean better information, the right training for assessors may mean that recommendations are better tailored to the situation and financial circumstances of a homeowner/occupier.

• Question 39: What are your views on changing the current allocation of responsibilities for enforcing Energy Performance of Buildings Regulations (EPBR)?

As with any new regulatory powers, there is a need to ensure a new enforcement regime is adequately resourced to deal with increased responsibility.

There is also a need to ensure new regulatory powers come with correct enforcement ability. If these are not considered, it is unlikely that improvements will occur.

<sup>&</sup>lt;sup>13</sup> Citizens Advice Scotland, <u>A-B-C? Easy as EPC - Improving consumer understanding of Energy</u> <u>Performance Certificates (EPCs)</u>, July 2020