

Energy Performance Certificate (EPC) reform consultation Evidence submitted to the Scottish Government 16 October 2023

This is a response to the Scottish Government's review of Energy Performance Certificates (EPCs).

Introduction

EPCs provide homeowners and tenants with high level information about the energy efficiency of their home or a property they are thinking of buying or renting. They were first introduced in 2008 and are now fairly well recognised by members of the public. According to a public poll undertaken for Scottish Housing Day in 2021, 81 percent of people across all tenures had heard of an EPC although far fewer were aware of the EPC rating for their own home.

While there is agreement that EPCs can provide useful information for households, there is wide recognition that they could be improved. By reviewing EPCs, the Scottish Government intends to make EPCs more relevant to the aim of reducing carbon emissions, not just improving the energy efficiency of homes. A number of changes are proposed to the measures used and how they should be presented.

Consultation questions

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

We agree with the metrics proposed and suggest leading with the fabric indicator covering space heating only, which can be influenced by improvements to the fabric of the building, not hot water.

Improving the fabric of the building is the easiest and most cost-effective way for most households to reduce their energy use which will have a positive impact on fuel poverty and carbon emissions targets. Improving the fabric of a building will also help to ensure optimum conditions for zero emissions heating systems.

We agree that the Cost Rating should not be displayed as a unity of currency, this could set an unrealistic expectation of running costs which are affected by a number of factors, not least the volatile cost of energy.



It is important that the revised EPC is easily understandable and includes information for homeowners about the measures that can be taken to improve the performance of their home/s with links to further advice and assistance.

2. Are there additional metrics that you think should be included on the EPC. Or metrics that you do not think should be included?

No.

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

We do not think that the Fabric Rating should include domestic hot water heat demand as this is not determined by the fabric of the building. As suggested in the consultation, this could be considered within the cost and energy use metrics with signposting to additional information on improvements such as water tank insulation.

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

The Fabric Rating should be designed to align as far as possible with existing measures to ensure that work undertaken to date to meet minimum energy efficiency standards remains relevant. We agree with using the EPC band C as an anchor to current standards.

The suggestion that EPC band A could be aligned with passivhause standard or equivalent needs clarity. The Scottish Government has committed to exploring the introduction of a standard equivalent to passivhause in Scotland but this has not yet been defined. It is therefore difficult to comment on whether this would be an appropriate standard to apply to EPC ratings.

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)?

Yes. Information should be presented in a way that is clear to homeowners, landlords and tenants. We agree that information on measures to improve performance should be included with links to further sources of advice and support.



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

No comment.

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

No comment.

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

Yes, EPCs should provide a useful tool for householders (owners, landlords and tenants) to understand the performance of their home and how it could be improved. EPCs are also relevant to tracking the quality of homes across Scotland for the development and implementation of policies relating to housing, poverty, health and wellbeing, and climate change.

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

No further comments.

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

Yes. Increasing the frequency of EPC assessments will help to provide more up to date data about housing stock which will be relevant to householders and policy makers. This will help owners to make decisions about how best to meet new requirements within timescales and for government and local authorities to target resources effectively as work is scaled up to meet climate change and fuel poverty targets.

However, this will require additional assessment capacity and will incur additional costs for landlords who must have a valid EPC at the point of letting which should be acknowledged.



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.

As mentioned above, accurate EPC data can help government and local authorities to target resources through existing or expanded schemes such as Area Based Schemes, fuel poverty support initiative and in future planning for heat networks. It will also help to track progress over time.

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

While reviewing EPCs it makes sense to review accessibility and we agree with the proposal to move from PDF to webpage format. As stated in the consultation there are a number of accessibility issues associated with PDFs. However, the information must still be available in a format that allows it to be provided as a hard copy if, for example, this is requested by a tenant, or for those who do not have easy access to digital information.

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

Yes, we agree that EPCs provide a valuable opportunity for signposting to encourage owners to think about how best to make improvements to their home. The potential to provide tailored information based on the location of the home (for example, within a heat network area as suggested) is interesting but would need to be accurate - owners could be put off by incorrect or overly complex signposting. All sources of information need to be kept up to date.

The Existing Homes Alliance has published research into the <u>ideal customer</u> <u>journey</u> which sets out the steps that will best support owners to make improvements to their homes from identifying the need to make changes, advice and information, installation and port-installation support.

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

Yes. There should be a clear explanation of the difference between the different types of EPC to ensure users are aware of the limitations of comparison over time.

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



Yes.

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

No further comments.

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

Yes. The EPC assessment and reporting process needs to be robust and the information provided needs to be trusted by consumers. Many homeowners will be expected to invest significant sums of money in improvements to meet carbon emission targets, and EPCs will form the basis for these decisions.

As noted above, a move to five-year validity will necessitate additional capacity for assessments and this must be resourced.

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

No further comments.

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

The timeline will need to allow for design of the new certificate, development of the online system and signposting pathways to further advice, information and support. Public engagement will need to be undertaken to ensure that the new EPC is recognisable and new requirements (e.g. for more frequent assessment) are understood. As outlined above, assessment capacity will need to be sufficiently resourced and scaled up to meet additional demand.

It is also essential that the roll out of the new EPC is aligned with the review of EESSH2 for the social housing sector.



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