
REPORT TO:	HOUSING AND COMMUNITY SERVICES COMMITTEE	AGENDA ITEM:11
DATE OF MEETING:	2nd SEPTEMBER 2008	CATEGORY: DELEGATED/ RECOMMENDED
REPORT FROM:	DIRECTOR OF COMMUNITY SERVICES	OPEN PARAGRAPH NO:
MEMBERS' CONTACT POINT:	GARY CLARKSON EXT 5897	DOC: GAClu:\reports\ EPC August 2008.doc
SUBJECT:	ENERGY PERFORMANCE CERTIFICATES	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: HSC01

1.0 Recommendations

- 1.1 To accept the attached report and note that a further report on this issue may come forward based on the experience of operating the scheme.

2.0 Purpose of Report

- 2.1 To inform members of the actions being undertaken to comply with the legal requirement to produce Energy Performance Certificates.

3.0 Detail

- 3.0.1 From 1st October 2008 all buildings whenever sold, built or rented have to have an Energy Performance Certificate (EPC), which rates both the energy efficiency and environmental impact (CO2 emissions) of the building.
- 3.0.2 The requirement is introduced by The Energy Performance of Buildings (Certificates and Inspections) (England and Wales) (Amendment) Regulations 2007 to comply with the European Union's Energy Performance of Buildings Directive (EPBD) which applies to all property, including rented. This became law in 2003 and allowed until January 2009 for full implementation so as to provide time for sufficient numbers of energy assessors to be trained.
- 3.0.3 The full implementation timetable for the regulations are as shown below:

6 April 2008

- EPCs required on construction of all dwellings.
- EPCs required for the construction, sale or rent of buildings with a floor area over 10,000 m2.

1 July 2008

- EPCs required for the construction, sale or rent of buildings with a floor area over 2,500 m2.

1 October 2008

- EPCs required on the sale or rent of all dwellings
- EPCs required on the construction, sale or rent of all remaining buildings.
- Display certificates required for public buildings >1,000 m²

4 January 2009

- First inspection of all existing air-conditioning systems over 250 kW must have occurred by this date.

4 January 2011

- First inspection of all remaining air-conditioning systems over 12 kW must have occurred by this date.

3.0.4 The energy efficiency ratings and environmental impact are both indicated on a scale of A to G and include recommendations for improvement. A sample certificate is included in appendix A.

The ratings are similar to those found on products such as fridges and are standard so the energy efficiency of one building can easily be compared with another building of a similar type.

The energy efficiency ratings are based on bands of SAP (an established measure of a building's energy performance) ratings that are calculated using a standardised energy performance computer model based on a national calculation methodology called RdSAP.

3.1 Rented Domestic Properties

3.1.1 The EPC has to be provided free of charge to the recipient, either when (or before) any written information about the property is provided to prospective tenants or when a viewing is conducted. Landlords do not have to provide a certificate if:

- the landlord believes the prospective tenant is unlikely to have sufficient funds to rent the property
- the tenant is not genuinely interested in renting,
- the landlord is unlikely to be prepared to rent the property to the prospective tenant.

In the case of our own properties, it is not expected that these exclusions will apply.

3.1.2 An EPC has a life of 10 years from when it is produced so a new certificate will not be required on each subsequent relet during that period, even if energy related improvements have been carried out to the property.

3.1.3 The EPC's will be produced in-house using Lifespan, Housing Service's Asset Management software.

On completion of a survey, the data is input into Lifespan and then submitted to a central government database that produces and registers the certificate before transmitting it back to the originator. The current cost of registering each certificate is £4.50 plus VAT.

3.1.4 EPC's may only be produced by authorised Domestic Energy Assessors (DEAs) who have been able to demonstrate appropriate qualifications or competence and are registered with an accredited body.

Lee Carter (Repairs and Improvement Manager) and Gary Clarkson (Improvement Manager) have received DEA training and passed the Awarding Body for the Built Environment examination. They are in the process of completing their accreditation with the Royal Institute of Chartered Surveyors. (RICS), so that everything is in place for the 1st October start date.

3.2 Right to Buy Properties

- 3.2.1 An EPC must be provided for all properties that are sold through the Right To Buy process.
- 3.2.2 These will be provided when a prospective purchaser receives the Council's offer price for the property.

3.3 Public Buildings

- 3.3.1 To comply with the Display Certificates requirements for public buildings with a floor area over 1,000 m², Faithful & Gould have been commissioned to undertake the survey and assessment, as energy assessments for non-domestic buildings are more complex and of a specialist nature.

Faithful & Gould are international consultants that provide services for the construction industry and have been employed by the Council over recent years to undertake condition surveys, fire risk assessment and Disabled Discrimination Act assessments.

- 3.3.2 The requirement for a Display Certificate only applies to:

- the Civic Offices
- Darklands Road Depot
- Greenbank Leisure Centre
- Melbourne Leisure Centre

4.0 Financial Implications

- 4.1 The total cost of registering certificates will be dependent on the number of relets and Right To Buy (RTB) applications each year.
- 4.2 The time taken in producing a certificate in terms of making an appointment, surveying the property, producing the certificate, registering it, etc will be in the order of two hours and taking account of staff time and other issues the cost is likely to be in the region of £55. This ties in with the private sector where we are aware that companies are charging between £60 and £70+ depending on property type.
- 4.3 Legislation stipulates that the cost of producing EPCs on RTB applications will be met by the Treasury and the mechanism is to deduct the cost from the RTB sales receipts sent to government. RTB actual sales are forecast at 10 this year with possibly another 30 processed that will not proceed to sale. i.e. around 40 x £55 (or £2,200 per year) will be able to be deducted from the receipts forwarded and in effect will be income generated.

- 4.4 The cost of producing EPCs on relet of the rented stock has to be met by the local authority. At around 300 lets a year using the figures above equates to a cost of a minimum of 600 man-hours or £16,500 a year.
- 4.5 It is proposed that the costs will be absorbed in to existing budgets for the remainder of this financial year. Finding up to 600 man-hours out a small team is a very significant issue but it is proposed to try to cope with this additional service for a temporary period and report back to Committee as part of the budget setting process for next year on any staffing implications based on the experience of operating the scheme from 1st October.
- 4.6 The cost of producing the display certificates for the public buildings listed at 3.3.2 are being met from budgets under the control of the Head of Finance and Property Services.
- 4.7 As the certificates have a life of 10 years once produced, the financial implications are expected to reduce overtime.

5.0 Corporate Implications

- 5.1 The Energy Performance of Buildings (Certificates and Inspections) (England and Wales) (Amendment) Regulations 2007 is a matter of law that imposes new requirements for rented properties and public buildings from the 1st October 2008.

6.0 Community Implications

- 6.1 The certificates will provide prospective tenants with an energy rating for the property based in a similar format to those found on products such as fridges, so the energy efficiency of one property can easily be compared with another property of a similar type.

7.0 South Derbyshire Tenants' Forum Comments

- 7.1 The South Derbyshire Tenants' Forum had not been consulted on the content of this report, as the preparation timetable did not coincide with the Forum's planned meetings. Their views will be obtained and reported at the meeting.