

# **Report to the Cabinet**

**Report reference:** C-024-2008/09  
**Date of meeting:** 1 September 2008



**Portfolio:** Housing.  
**Subject:** Energy Performance Certificates - Social Rented Dwellings.  
**Responsible Officer:** Paul Pledger (01992-564248)  
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## **Recommendations/Decisions Required:**

- (1) That the requirement to undertake Energy Performance Certificates for all void properties and Right To Buy applications, and Display Energy Certificates in all buildings where there is public access, as part of a Government initiative to improve energy efficiency be noted; and**
- (2) That in order to meet this new requirement (for which no resources have been made available by the Government), one new FTE Voids Officer post be created in the Housing Repairs Section at Grade 5 (Subject to Job Evaluation) to assist with these additional duties; and**
- (3) That the existing Voids Officer posts be re-evaluated under the Job Maintenance procedure.**

## **Executive Summary:**

The Government has recently introduced legislation which requires Energy Performance Certificates (EPC) to be issued for all buildings. This is being introduced in phases, starting with residential properties as part of the Home Information Packs, which was introduced in August 2007, and as of 1 October 2008 extending to all private and social rented homes, which includes Council dwellings. EPC's for commercial buildings will be introduced from April 2009.

## **Reasons for Proposed Decision:**

Since this new legislation is mandatory, EPC's must be produced for all new tenancies (i.e. when a property becomes void and is advertised under Choice Based Lettings) and Right To Buy applications. The amount of work involved in producing the EPC's means that a new FTE Voids Officer post needs to be created to meet the demand.

## **Other Options for Action:**

- (i) Not to undertake the EPC's.**
- (ii) To outsource the work to external consultants.**
- (iii) To undertake the EPC's in-house and outsource work currently undertaken by existing staff.**

## Report:

1. In August 2007, the Government introduced a range of initiatives aimed at helping the UK improve the energy efficiency of its buildings and meet its carbon emission reduction targets. One of these initiatives requires an Energy Performance Certificate, which provides a rating for the energy performance of the building and report on the ways to improve the energy efficiency of the property, to be issued for all new homes, homes when they are sold and more relevant to the Council, all private and social rented homes when there is a change of tenancy.
2. The requirement to produce EPC's for private and social rented homes comes into force as of 1 October 2008, and according to the guidance received from CLG, must be provided free of charge.
3. The EPC shows two things, the Energy Efficiency Rating (relating to fuel costs) and the Environmental impact Rating (relating to the CO<sup>2</sup> emissions). The rating is accompanied with a report recommending how to improve the energy efficiency of the dwelling. However, whilst there is no statutory duty to undertake the recommended energy efficiency measures stated in these reports, it will provide good detailed information which will help the Council shape future energy efficiency strategies and plan programmes for improvements.
4. The legislation dictates that EPC's may only be issued by an accredited assessor, but landlords are free to seek accreditation for themselves and their employees and issue their own certificates.
5. An assessment has been carried out of the number of certificates that will be needed to be issued on an annual basis. Based on average figures, this equates to around 600 void properties and 100 RTB applications per year.
6. In addition to EPC's for individual domestic dwellings, there is a requirement for Display Energy Certificates (DEC) to be produced and displayed where there are public areas in buildings. This includes buildings such as Sheltered Accommodation, Day Care Centres and Norway House. The information that needs to be collected for these buildings is not only much more complex and detailed, it also requires a separate piece of IT software. DEC's are required to be renewed annually, whereas EPC's are valid for 10 years (Subject to change).
7. The average time it will take to survey each property, capture the relevant data, input the data into the national database and produce each EPC is estimated at around 2-hours, excluding travelling time. Based on the average number of EPC's that will be required each year, this equates to more than 1,400 hours or 1 x FTE post. This excludes the time it will take to undertake DEC's.
8. Based on estimates received from external assessors, the cost of them producing each EPC would be between £75 and £100, depending on the number of EPC's and the size of the dwelling. This means a cost of between £59,250 and £79,000 per annum. Again, this excludes DEC's, which are estimated to cost around £20,000 per annum. It should be noted that the Government has not made any resources available for this additional responsibility.
9. An assessment has been carried out of both one off and on-going costs for undertaking the EPC's in-house. This includes staffing costs, training (obtained from four different accreditation organisations – ECKM, Northgate, NHER and Ashgrove), survey equipment, IT software, annual accreditation fees and on-going training, plus certificate lodgement fees. To undertake the EPC's in-house, it would cost around £59.10 per certificate, which is considerably cheaper than using external assessors.
10. Since it will be the Voids Officers that will undertake the bulk of this additional work, it is therefore recommended that the Council creates a new FTE Voids Officer post within the Housing Repairs Section at Grade 5 (subject to Job Evaluation); that all Voids Officers receive training to become Energy Assessors and their jobs be re-evaluated under the Job Maintenance procedure; and that external assessors be engaged in accordance with Contract Standing Orders to undertake the production of DEC's.

11. Since it will be some time before an appointment can be made, and the legislation comes into force on 1 October 2008, it should be noted that a programme of training for existing staff in both Housing Assets and Housing Repairs to capture the data and issue the certificates has been put into place, which is being met from the existing Housing Directorate training budgets. This will give the added benefit of cover in the future for any peaks in demand.

**Resource Implications:**

Around £42,000 per annum, made up of annual accreditation and continued professional development costs, salary for a new FTE post at grade 5 (Subject to Job Evaluation) and EPC lodgement fees. In addition, around £20,000 per annum for DEC's to be commissioned via external assessors, subject to Contract Standing Orders.

**Legal and Governance Implications:**

Government Legislation under Article 7 of the European Directive on the Energy Performance of Buildings (EPBD)

**Safer, Cleaner and Greener Implications:**

To provide more awareness of Energy Efficiency measures for domestic dwellings

**Consultation Undertaken:**

Staff have been consulted on the need to undertake training.

**Background Papers:**

HM Government documents on improving Energy Efficiency. CLG paper on Energy Performance Certificates for dwellings in the social and private rented sectors – a guide for landlords. Assessment of training and other associated costs of producing the EPC's in-house.

**Impact Assessments:**

Since the legislation is being policed by Trading Standards, the risk of not producing EPC's will result in fines to the Council.

By undertaking the certificates in-house, it will allow greater flexibility in ensuring certificates are issued on time.