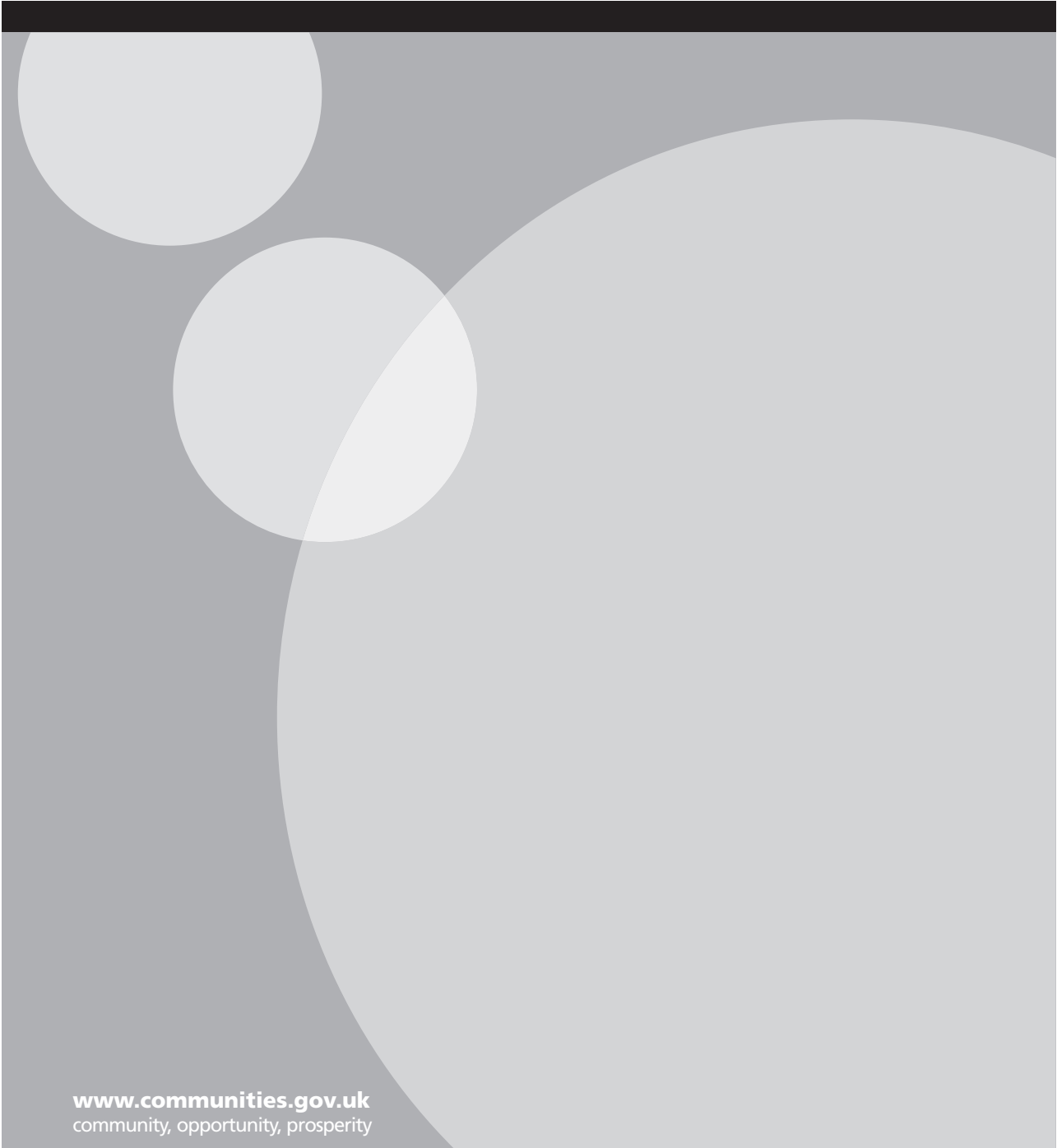




Impact Assessment



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Impact Assessment

June 2008
Communities and Local Government: London

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Summary: Intervention & Options

Department /Agency: CLG	Title: Impact Assessment of a suite of measures to widen access to energy performance certificate registers.	
Stage:	Version:	Date:
Related Publications: Regulatory Impact Assessment Energy performance of Buildings Directive Articles 7-10, March 2007.		

Available to view or download at:

<http://www.communities.gov.uk/documents/planningandbuilding/pdf/324459>

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What is the problem under consideration? Why is government intervention necessary?

By the end of 2008, all buildings constructed, rented or sold are required to have an energy performance certificate (EPC) under the terms of the Energy Performance of Buildings Directive (EPBD). This Impact Assessment accompanies a consultation document which seeks views on whether likely increased implementation of cost-effective efficiency improvement measures supports widening of access to both the domestic and non-domestic EPC registers, as well as the display of an asset rating on the advertised particulars of dwellings offered for let.

Government intervention is necessary because the market is failing to deliver sufficient cost-effective energy efficiency improvements. The reasons for this lack of investment are partly informational. The proposals considered here seek to address informational gaps by improving the visibility and accessibility of EPCs. The proposals considered here are facilitating measures, clearing the way to allow for the targeting of the most energy inefficient buildings with information on subsidies available to improve their energy use performance, and workable pilot schemes to ensure that EPCs better reflect cost-effective efficiency improving measures undertaken after EPCs are issued.

All proposals considered here should be seen as part of Government's wider commitment to tackling climate change through emissions reductions.

What are the policy objectives and the intended effects?

The objective is to encourage householders and businesses to use energy more efficiently through:

- (i) Improvements to the accessibility of EPCs, so as to facilitate the most energy inefficient properties to be targeted with tailored advice by the Energy Saving Trust and the Carbon Trust and facilitate the retrieval of EPCs from the register;
- (ii) Increasing the extent to which the choices of prospective owners of commercial buildings are informed by the asset ratings and availability of EPCs of properties made available for let and purchase.

The outcome over time will be reduced energy costs for, and CO₂ emissions by, householders in the private rented sector and businesses.

What policy options have been considered? Please justify any preferred option.

Under the "Do Nothing", the general public, Energy Saving Trust and Carbon Trust have no access to EPC registers, energy assessors are unable to search registers by address and asset ratings are not required to accompany advertised particulars of properties for let.

A suite of policy proposals have been considered:

- 1) Extending access to the domestic EPC register to the Energy Saving Trust.
- 2) Extending access to the non-domestic EPC register to the Carbon Trust.
- 3) Extending access to both EPC registers to energy assessors to allow for search by address.
- 4) Extending access to the non-domestic register to the general public to see whether a building has an EPC, though not to download that EPC.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects? The policy will be monitored throughout as part of wider monitoring of the Directive. A formal evaluation will be undertaken, with the contract being let later this year.

Ministerial Sign-off For consultation stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister:

..... Date:

Summary: Analysis & Evidence

Policy Option:

Description: A suite of measures to widen access to EPC registers and improve the visibility of asset ratings to prospective tenants in the private rented.

COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups' i) £50k cost to each of the EST and the CT for gaining access to the domestic and non-domestic EPC register. ii) £50k cost to Landmark Information Group of facilitating public access to the non-domestic EPC register. iii) £50k cost to Landmark Information Group of facilitating access by energy assessors to both registers iv) £50k cost of allowing public search of but not download from commercial register	
	One-off (Transition)	Yrs		
	£ 200k	1		
	Average Annual Cost (excluding one-off)			
	£		Total Cost (PV)	£ 200k
Other key non-monetised costs by 'main affected groups'				

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups' The effect of the measures are not identified separately from the wider benefits to be gained from the introduction of EPCs, but are recognised as: 1) Facilitating the operationalisation of the Green Homes Service by extending domestic database access to the Energy Saving Trust. 2) Facilitating the targeting of the most energy inefficient business premises by the Carbon Trust. 3) Facilitating the workable piloting of EPC update schemes. All of which are recognised as effecting increased take-up of cost-effective energy efficiency improvement measures. For additional information on benefits, see Evidence Base below.	
	One-off	Yrs		
	£			
	Average Annual Benefit (excluding one-off)			
	£		Total Benefit (PV)	£ See above
Other key non-monetised benefits by 'main affected groups'				

Key Assumptions/Sensitivities/Risks

Price Base Year	Time Period Years	Net Benefit Range (NPV) £	NET BENEFIT (NPV Best estimate) £
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What is the geographic coverage of the policy/option?	England and Wales
On what date will the policy be implemented?	By October 2008

Which organisation(s) will enforce the policy?		TSOs		
What is the total annual cost of enforcement for these organisations?		£ already funded		
Does enforcement comply with Hampton principles?		Yes		
Will implementation go beyond minimum EU requirements?		Yes		
What is the value of the proposed offsetting measure per year?		£ n/a		
What is the value of changes in greenhouse gas emissions?		£ see above		
Will the proposal have a significant impact on competition?		No		
Annual cost (£-£) per organisation (excluding one-off)	Micro	Small	Medium	Large
Are any of these organisations exempt?	No	No	N/A	N/A

Impact on Admin Burdens Baseline (2005 Prices)		(Increase - Decrease)	
Increase of £ nil	Decrease of £ nil	Net Impact	£ nil

Key:

Annual costs and benefits: Constant Prices

Evidence Base (for summary sheets)

A full Impact Assessment of mandating the accompaniment of newly-built, sold or rented buildings by a valid energy performance certificate was published in March 2007. It is available to download at:

<http://www.communities.gov.uk/documents/planningandbuilding/pdf/324459>

This Impact Assessment takes Option 3 in the March 2007 analysis as a baseline against which to assess proposals to the widening of access to both the non-domestic and domestic registers in which EPCs are lodged, in addition to that requiring the inclusion of asset ratings in the advertised particulars of a property for let.

Using EPCs as a catalyst for increased uptake of cost-effective energy efficiency improvements

The primary purpose of EPCs is to ensure that householders and businesses have a full understanding of the energy efficiency of their building, and are able to use this understanding to make improvements to their energy use. However, an EPC is valuable only insofar as it leads to more efficient energy use. This Impact Assessment sets out a range of proposals for making EPCs more accessible and visible, and hence more likely to encourage more efficient energy use.

Proposal 1: Extending access to the domestic EPC register to the Energy Saving Trust

This central proposal is needed for the operation of the Green Homes Service, announced by the Prime Minister in autumn 2007, intended to target the least energy efficient homes (those with an asset rating of F or G) with information on the financial help available to implement the recommendations attached to EPCs. To facilitate this, the Energy Saving Trust needs access to the EPC register, administered by Landmark Information Group on behalf of the Government, so that they can identify these most energy inefficient of households.

The one-off cost to the Energy Saving Trust of arranging access to the domestic EPC register is an estimated £50k. The benefits, all occurring after the Green Homes Service has been operationalised, depend crucially on the extent to which consumers implement cost-effective energy efficiency improving measures as a result of receiving the information supplied through the Green Homes Service. Those consumers who do implement such measures will make savings on energy bills, and there will be wider benefits to society in terms of CO₂ abatement. There is a further benefit, however. The Energy Saving Trust will feed data from EPCs into their existing database, HEED, where it will be anonymised and aggregated. Over time this will develop into a comprehensive and detailed dataset on the energy performance of the UK housing stock and will be invaluable in developing benchmarks and assessing progress toward meeting CO₂ abatement targets. These benefits are not measured separately from the wider benefits of implementing the Energy Performance of Buildings Directive, but will help achieve its aims.

Proposal 2: Extending access to the non-domestic EPC register to the Carbon Trust

Implementation of this proposal would replicate the proposed access to the domestic register for Energy Saving Trust by giving the Carbon Trust similar access to the non-domestic EPC register. Similarly, this would facilitate the targeting of those businesses in the least energy efficient premises.

The one-off cost to the Carbon Trust of arranging access to the non-domestic register is estimated to be £50k. The benefits of this proposal are not measured separately from the wider benefits of implementing the Energy Performance of Buildings Directive, but will help achieve its aims.

Proposal 3: Extending access to both the domestic and non-domestic EPC registers to energy assessors to allow them to search by address

Government is committed to piloting ways in which an EPC can be updated at lower cost, rather than replaced, subsequent to energy efficiency improving measures being implemented. Extending access to both the domestic and non-domestic registers to make it easier for energy assessors to retrieve previous certificates, by allowing them to search the register by address, will help to make any pilot schemes workable. The cost of implementing this measure is estimated to be £50k. The benefits of this proposal are not measured separately from the wider benefits of implementing the Energy Performance of Buildings Directive, but will help achieve its aims.

Proposal 4: Extending access to the non-domestic database to the general public so that they can see whether a building has an EPC, although not download the EPC

Government is keen to ensure that EPCs inform the choices of prospective buyers of commercial buildings. Extending access to the non-domestic register to the general public would allow a search of the database by address. In turn, allowing a prospective buyer to see whether a given commercial building has an EPC - but not to download that EPC - would help ensure that EPCs were considered before the buying process starts. It would also assist landlords with compliance. The one-off cost to Landmark Information Group, who also administer the non-domestic register on behalf of Government, of implementing this measure is estimated to be £50k. The benefits are not measured separately from the wider benefits of implementing the Directive, but will help achieve its aims.

Specific Impact Tests: Checklist

The specific impact tests were undertaken for the original impact assessment in March 2007. These measures represent small changes designed to increase the likelihood of the policy meeting its objectives: all have been suggested by stakeholders. They do not affect the outcome of the impact tests undertaken for the original RIA. The March 2007 Impact assessment sets out the result of specific impact tests.

We will re-examine the specific impact tests during the consultation period, and would welcome any comments on the impact of these proposals on them.

Type of testing undertaken	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
Competition Assessment	Yes	No
Small Firms Impact Test	Yes	No
Legal Aid	No	No
Sustainable Development	Yes	No
Carbon Assessment	Yes	No
Other Environment	No	No
Health Impact Assessment	No	No
Race Equality	No	No
Disability Equality	No	No
Gender Equality	Yes	No
Human Rights	No	No
Rural Proofing	Yes	No

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