



Making better use of energy performance data

Impact Assessment

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Summary: Intervention & Options

Department /Agency: Communities and Local Government (CLG)	Title: Impact Assessment: Making better use of Energy Performance data	
Stage: Consultation	Version: 1	Date: 2 March 2010
Related Publications: Consultation Paper: Extending the scope of Energy Performance Certificates and Making Better Use of Energy Performance Data		

Available to view or download at:

<http://www.communities.gov.uk>

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

The market can fail to deliver sufficient investment in energy saving measures in buildings for several reasons including: the external costs of CO₂ emissions from buildings are not paid for by those who own or occupy buildings. Some landlords may also be unaware of many of the energy efficiency measures available and what the cost-effective improvements that could be made to a dwelling.

The Government collects data relating to the energy performance of buildings and access is currently controlled by the Regulations which are tightly defined for data protection reasons. The restricted access data could potentially be used to facilitate action by Government and others to tackle climate change, specifically by improving the energy efficiency of buildings.

What are the policy objectives and the intended effects?

The objective of the Energy Performance of Buildings Directive (EPBD) is to encourage householders and other building owners to improve the energy efficiency of their buildings, leading to reduced carbon emissions and potentially, fuel costs to the individuals. Increased access to the data may allow tailored support and advice to owners of buildings on how they can improve energy efficiency. It may also provide better information to support policy making and the development of appropriate and effective responses by Government, researchers and business to improving the energy efficiency of buildings.

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

Do nothing - maintain the current Regulations limiting access to data. This could stifle the use of important data which could help us to tackle climate change.


Staged levels of access - preferred option. This strikes a balance between releasing useful data and meeting our legal obligations to protect people's privacy as required by legislation. Wider Government initiatives also encourage greater access to such data.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects? This policy will be reviewed periodically in terms of how many requests are made for access to data; this will enable us to determine the actual costs. We will also be seeking feedback on the impact from those with whom we share the data.

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:

A handwritten signature in black ink, appearing to read 'J. Healy', is written over a horizontal dotted line.

Date: 26 February 2010

Summary: Analysis & Evidence

Policy Option: Staged levels of access	Description: Making better use of energy performance data
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COSTS	ANNUAL COSTS	Description and scale of key monetised costs by 'main affected groups' Cost to Landmark ¹ , contracted managers of the data, of maintaining, sharing and analysing data. Cost of maintaining the England and Wales domestic and non-domestic EPC registers is paid for by the lodgement fee; the additional cost of sharing data more widely may result in no more than a few additional pence on the fee.		
	One-off		Yrs	
	£ 300,000			
	Average Annual Cost (excluding one-off)			
	£ 60,000	30	Total Cost (PV)	£ 1,400,000

Other key non-monetised costs by 'main affected groups'

Building owners/occupiers: they may incur costs should they take up energy efficiency measures as a result of the recommendations contained within an EPC or DEC, or as a result of advice and support given.

BENEFITS	ANNUAL BENEFITS	Description and scale of key monetised benefits by 'main affected groups' There is little evidence to determine the direct monetised benefits of broadening access to data, however it is understood that this data would enable more accurate and successful targeting of measures to households, which is more cost-effective.		
	One-off		Yrs	
	£			
	Average Annual Benefit (excluding one-off)			
	£		Total Benefit (PV)	£

Other key non-monetised benefits by 'main affected groups'

Benefits in terms of reduced costs or greater thermal comfort for the consumer, increased business for energy efficiency suppliers and reduced greenhouse gas emissions will result only if the support and advice and additional information results in increased take-up of energy efficiency measures. It would also provide better information to support policy making and the development of appropriate and effective responses by Government, researchers and business to improving the energy efficiency of buildings.

¹ Landmark Information Group operate the England and Wales domestic and non-domestic EPC registers on behalf of the Secretary of State

Key Assumptions/Sensitivities/Risks

Landmark continues to be the contracted operator of the England and Wales domestic and non-domestic EPC registers. Rate of EPC/DEC production remains steady in line with existing trends i.e. no dramatic growth or fall off in number of EPCs and DEC produced and lodged which would have implications for cost of data sharing and fee income.

There are risks associated with greater access to personal data and these will need to be mitigated by appropriate safeguards in line with Data Protection Act 1998 (DPA 1998) principles.

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?	2010			
Which organisation(s) will enforce the policy?	CLG			
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?	£ NA			
What is the value of changes in greenhouse gas emissions?	£ not determined			
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 £ 0	Decrease of £ 0	Net Impact	£ 0

Key: **Annual costs and benefits: Constant Prices** (Net) Present Value

Evidence Base (for summary sheets)

Rationale for Government intervention

1. Government is obliged to implement the EPBD. It required the introduction of:
 - EPCs for all buildings (domestic and non-domestic) when they are built, sold or rented;
 - regular energy assessments of large public buildings and that Display Energy Certificates (DECs) are displayed so that users and visitors are aware of their of the energy use of buildings; and
 - regular inspections of, and recommendations about improving, the energy performance of Air Conditioning installations.
2. To operate an effective and efficient system, we introduced a central register for the storage and retrieval of data collected through EPCs, DECs and more recently have opened this up to voluntary lodgements of Air Conditioning reports (ACRs). Access to the data held within the EPC register is restricted by the Energy Performance of Buildings (Certificates and Inspections) (England and Wales) Regulations 2007².
3. To make better use of data, we propose to increase access to data. This will require CLG to amend the Regulations.
4. There are a several reasons for widening access to the data including additional requests from Government departments and their agencies to have access to the data to support efforts to tackle climate change, growing demand for research and better targeted energy efficiency support and a drive for greater access to government-held data.
5. Energy performance data can play a vital role in delivering the Government's heat and energy savings objectives because it provides key information about a building's carbon emissions and the types of improvements that can be made to increase buildings energy efficiency. This information is both valuable as a basis for encouraging, incentivising and compelling people to improve the energy efficiency of buildings and for supporting the policy developments and actions the public, private and voluntary community sectors.

Policy objectives and intended effects

6. There is growing pressure for access to EPC data to better support the development of policy and the actions of organisations and individuals to improve the energy efficiency of buildings and reduce their carbon emissions. This includes requests from other Government departments and their agencies to have access to the data: We propose to:
 - provide the Secretary of State with the power to grant access to address data to specified organisations including local authorities for approved purposes.
 - provide the Secretary of State with the power to give access to anonymised data; either through the publication of standard reports on a public website or by the provision of ad hoc reports to meet bespoke requests.

See Annex A in the back of the Impact Assessment for those who already have access and Annex B for the proposed access tiers.

7. Granting local authorities (LAs) access to address level data for dwellings with EPCs in their area will support the central role that LAs will play in enforcing the EPBD requirements and

² http://www.opsi.gov.uk/si/si2007/uksi_20070991_en_1

in tackling climate change. This might include the development of a local Carbon Framework and/or lead into targeted advice and support on energy efficiency

8. Greater access to specified organisations including other government departments and LAs may support Government's wider objectives:
- The Climate Change Act 2008³ commits the UK to a statutory target to reduce its emissions (from all sources) by 80% by 2050 from a 1990 baseline. Buildings account for almost 50% of the UK's carbon emissions.
 - *The Heat and Energy Saving Strategy (HESS): a consultation* (DECC, 2009)⁴ sets out a road map of Government's plans to virtually eliminate carbon emissions from existing homes by 2050. HESS set out ambitious milestones for reducing carbon emissions from domestic properties and to increase the proportion of renewable heat sources - all houses to have cavity wall and loft insulation where practical by 2015; all homes and other buildings to have received all available cost-effective measures by 2030; and that emissions from buildings to be as close to zero as possible by 2050.
 - The *UK Low Carbon Transition Plan* (DECC, July 2009)⁵ sets out Government's action to tackle climate change. It recognises that three quarters of the energy we use in our homes is for heating rooms and water, most of which comes from gas-fired boilers. This accounts for 13% of the UK's greenhouse gas emissions, and by 2050 emissions from homes needs to be almost zero by using energy more efficiently and using more low carbon energy. The Plan further commits to reducing annual emissions from residential buildings by 28% by 2020.

Options considered

9. We have considered two main options.
- (i). Do nothing - maintain the current Regulations limiting access to data. This would stifle the use of important data which could help us to tackle climate change. It would also go against the grain of current Government policy promoting greater data use and sharing.
 - (ii). Staged levels of access - **preferred option**. This strikes a balance between releasing useful data and meeting our legal obligations to protect people's privacy as required by legislation. Wider Government initiatives also encourage greater access to such data. These staged levels of access can be found in Annex B of the Impact Assessment.

Risks and uncertainties

Risks

10. There are risks associated with greater access to personal data, for example:
- increase in junk mailing/contact and organisations making unsolicited contact with individuals to market services or products;
 - loss of trust in Government's ability to handle personal data securely and
 - loss of trust in EPC scheme.
11. These risks will be mitigated through:

³ http://www.opsi.gov.uk/acts/acts2008/pdf/ukpga_20080027_en.pdf

⁴ A summary of consultation responses can be found here <http://hes.decc.gov.uk/> alongside Government's initial response. A final policy package will be published later this year.

⁵ http://www.decc.gov.uk/en/content/cms/publications/lc_trans_plan/lc_trans_plan.aspx

- careful consideration of data protection issues during the consultation and policy development process, including completion of a small-scale privacy impact assessment;
- restricting access to personal data to certain organisations for specific purposes and
- incorporating safeguards into the Regulations governing who can access the data and for what purposes. Safeguards are likely to include: criteria within the Regulations to determine access to personal data; legally binding agreement between CLG and the organisation in receipt of the data, including sanctions in the event that data protection arrangements be breached; inclusion of a fair processing notice on EPCs and DEC's to advise consumers of potential use of data.

Uncertainties

12. There is little evidence to help us quantify the value of this data or how it can best be used to achieve the desired outcomes. However, the work of the Energy Saving Trust (EST), in using data to target advice and support on energy efficiency to householders with F and G rated properties, will help us understand the take up and effects of using data in this way. This work has only recently begun, so it will not be until 2010 and beyond that we can evaluate the effects.

Estimate of costs for preferred and alternative options

OPTION 1

13. There are no additional costs for this option as it proposes to maintain the current regulations without broadening access to energy performance data.

OPTION 2

14. Staged levels of access - preferred option. £300,000 year one off set up costs; £60,000 pa thereafter⁶. This represents the cost for the operators of the register to provide reports at the specified levels of access. More specifically this cost reflects:

- defining the scope
- development work
- testing / quality assurance

15. Exact costs will be determined depending on the outcome of the consultation, taking into account the scale and scope of data requirements identified. The cost of maintaining the EPC register is paid for by the lodgement fee⁷; the additional cost of sharing data more widely may result in no more than a few additional pence on the fee.
16. Since September 2008 there have been over 2.4 million EPCs submitted for existing dwellings, and over 100,000 new build EPCs⁸. The rate of lodging EPCs has been around a quarter of a million per month. A large portion of these will have been 'one-off' EPCs done by landlords, so we would not anticipate renewals of those EPCs for a while, but the rest would be triggered by property sales or completions so would continue into the future. It is unlikely that a marginal rise in price of an EPC would discourage individuals from buying/selling property, or discourage builders from constructing new build, so the policy would not likely have an impact on the number of EPCs lodged.
17. There are potential costs to the owners of buildings who have an EPC or DEC in implementing any energy efficiency measures identified through the recommendations or advisory report. The relative costs of installing measures and energy costs savings for a

⁶ Source: Landmark

⁷ The lodgement fee is paid by the energy assessor that lodges the EPC data on the EPC register but this is expected to make up part of the fee for the energy performance report.

⁸ Source: Landmark

particular building are explained within the EPC. However, there is no obligation to implement these measures.

Costs and benefits

18. There would be some cost to Landmark, contracted managers of the data, of maintaining, sharing and analysing data. Cost of maintaining the England and Wales domestic and non-domestic EPC registers is paid for by the lodgement fee (£1.15 for domestic and £5.36 for non-domestic registers); the additional cost of sharing data more widely may result in no more than a few additional pence on the current fees.
19. The benefits of these proposals are currently non-monetised; there has been little analysis to date of the monetary value of the EPC data itself, for example, to marketing companies. However, the data would allow more cost-effective targeting of advice and information, resulting in cost savings for organisations offering energy efficiency advice.
20. The wider benefits of access to the data might include:
 - cost-savings to householders and building owners through lower fuel bills if the energy efficient measures in the EPC/DEC are implemented;
 - carbon emission reductions as a result of greater take-up of energy efficiency measures and
 - business is likely to benefit from stimulated demand for energy efficient goods and services (although this might be offset by lower demand for less energy efficient goods and services), again through the provision of targeted advice through not for profit programmes run by organisations such as the EST. Note, however, that we do not propose to allow commercial organisations access to address data to directly contact people, for data protection reasons.
21. The scale of the benefits will be dependent on how the data is used and the effect of incentives and advice schemes such as that run by EST.
22. Whilst outside the scope of this consultation, the total cost for England and Wales of carrying out the improvement measures recommended in EPCs has been estimated at around £30 billion based on an average expenditure of approximately £1,500 for each of the 20.2 million homes that would benefit. Research by the EST⁹ has identified the following potential costs to bring households with F and G ratings at least up to an E rating if appropriate improvement measures are carried out.
 - 37% of British F&G rated homes can be brought into the E banding using basic insulation measures – full lost insulation and cavity wall insulation - that cost less than £1000.
 - A further 47% can be brought out of the F&G banding by changing to a modern (building regulations compliant) heating system usually at a cost of less than £3,000.
 - A small group of homes – 2% - can be brought of the F&G banding by installing double glazing alongside basic insulation measures at a cost of less than £5,000.
 - The remaining 15% of homes are expensive to treat – costs rise from £5,000 to £8,000 and even higher in some cases. Expensive combinations of measures such as installing whole new heating systems, fitting double glazing and installing solid wall insulation are required.

⁹ Taken from F & G rated Homes in England, Wales and Scotland, New Research into Costs of Treatment and Carbon Savings (EST 2009)

23. The English House Condition Survey (EHCS)¹⁰ concludes that one or more recommendations covered by the EPC could benefit some 20.2 million homes (91% of the housing stock) If the cost effective improvement measures considered in the analysis were fully implemented, it is calculated that:

- carbon dioxide (CO₂) emissions from homes would fall resulting in a total saving of 33 million tonnes of CO₂;
- over the housing stock as a whole, the proportion of homes in the more efficient Bands A to C would more than double; and
- the proportion in the least efficient Bands E to G would more than halve.

24. EST has estimated that the total carbon savings from tackling all F&G rated homes would be 9.4million tonnes of CO₂ each year.

Consultation process

25. This impact assessment accompanies a consultation paper; the consultation period runs between 2 March 2010 and 25 May 2010 and is carried out in line with current best practice guidance. We are seeking views on this Impact Assessment and would invite respondents to submit any evidence that may be relevant to the consultation proposals and this Impact Assessment.

Enforcement and compliance

26. The proposals do not propose any major new enforcement or compliance regime. CLG will be responsible for ensuring that those organisations that receive EPC data act in accordance with the Regulations and letter of agreement governing the sharing of data. We do not propose to implement a monitoring regime as many of the organisations concerned are likely to be public bodies (for example local authorities) subject to DPA 1998.

Monitoring and review

27. This policy will be reviewed periodically in terms of how many requests are made for access to data; this will enable us to determine the actual costs. We will also be seeking feedback on the impact from those with whom we share the data.

Wider impacts

Privacy impact: We have performed a Privacy Impact Screening in accordance with the guidance from the Information Commissioners Office¹¹. Taking into consideration the responses to the consultation, we will undertake a small-scale Privacy Impact Assessment to consider and manage the risks of sharing potentially personal data, in advance of implementing the data strategy.

Competition assessment: Some respondents to previous consultations on data sharing have raised concern about unfair competition as a result of granting access to personal data to only selected organisations such as EST and the Carbon Trust (CT). Whilst we recognise these concerns we believe that the data strategy proposals achieve the best balance between making data more widely available to help support building owners to implement energy efficiency measures, whilst protecting their privacy and minimising exposure to unsolicited mailings and

¹⁰ Source: English House Condition Survey

¹¹ http://www.ico.gov.uk/upload/documents/pia_handbook_html_v2/index.html

contact. EST and CT do not endorse any particular brands and so there would not be a differential impact on which companies benefited from higher uptake of measures.

Small Firms Impact: These proposals do not impose or reduce costs on small business.

Legal Aid: These proposals do not have any implications for Legal Aid

Environmental impact: (Incorporating sustainable development; carbon assessment and other environment): whilst the data sharing proposals will have no direct impact on the environment, the aim of these proposals is to support delivery of Government's climate change commitments. The research set out above identifies the very significant reduction in carbon emissions that would be achieved by the comprehensive adoption of energy efficiency measures.

Health Impact: The proposal does not have any health implications.

Equalities and social impact: An Equalities Impact Assessment screening has been completed, covering race, age, health, disability and gender equality issues. Cost savings and improved home thermal comfort could have most benefit for the most vulnerable and a range of grants and other support is available to the poorest households to help them improve energy efficiency. There is no obligation on any household to implement energy efficiency measures.

Human Rights: We need to ensure that the proposal does not interfere with rights under the European Convention on Human Rights (ECHR) in a way which would be disproportionate to the achievement of any legitimate aim and unnecessary in a democratic society. Furthermore, we have to ensure that it does not breach any common law obligations of confidence. We have considered the possible impacts on an individual's human rights in terms of the right to enjoy home life, the right to a fair hearing, the right not to be deprived of property and the right to equal treatment and also the common law obligations of confidence and our view is that these proposals do not have a detrimental effect provided that we put in safeguards to ensure that the data owner and data users adhere to the principles set out in the DPA 1998.

Rural proofing: These proposals which may result in better targeting of F and G rated properties and potentially greater uptake of energy efficiency measures may benefit rural communities more. Data from the EHCS 2007 Report suggests that rural dwellings are much more likely to be energy inefficient than those in urban areas:

- 19.4% rural dwellings failed on thermal comfort standards, as opposed to 18% all city and urban areas, and 13% of suburban areas (Summary Statistics Table SST3.3: Decent homes – area)
- the SAP rating of rural homes is 43.2, compared to 51.3 in city and urban areas and
- 35.6% rural homes have an F or G energy efficiency rating, compared to only 16.1% in city and urban areas. (Summary Statistics Table SST7.2: Energy Performance – areas).

Specific Impact Tests: Checklist

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	Yes	No
Sustainable Development	Yes	No
Carbon Assessment	Yes	No
Other Environment	Yes	No
Health Impact Assessment	Yes	No
Race Equality	Yes	Yes
Disability Equality	Yes	Yes
Gender Equality	Yes	Yes
Human Rights	Yes	Yes
Rural Proofing	Yes	No

Annex A: Current levels of access

- CLG: the Secretary of State (SoS) for CLG, as the 'keeper of the register', may disclose any document or data to an officer of CLG: to enable the SoS to monitor the application and enforcement of, and compliance with, the duties imposed by the Regulations; or for statistical or research purposes, provided that no particular property is identifiable from the document or data disclosed; and any display energy certificate.
- Approved accreditation scheme operators: any document which was prepared by an energy assessor who was a member of the scheme at the time the document was entered into the register; and any associated data.
- Energy assessors: any document or data concerning a dwelling for the purpose of the assessment of the dwelling concerned; or for any other purpose undertaken on behalf of the owner or tenant of the dwelling concerned.
- Trading Standards authorities: any document or data for their duties as the enforcement authority.
- Approved inspectors: any document or data in connection with functions under Part 2 of the Building Act 1984 in relation to the building to which the document or data relates.
- Those that can provide a reference number: the document, that they request relating to that reference number only, and any others produced in the previous ten years relating to the same building, or part of building.
- Any person, in relation to a specified building other than a dwelling: whether an EPC is entered on the register for the building in question; and the date on which any such certificate was issued.
- EST: In August 2009 revised Regulations came into force to allow for disclosure from the EPC register, EPCs that have been produced in order to comply with duties arising on sales of dwellings, and that show an F or G asset rating along with their recommendation reports, to EST for specified purposes only. The purposes are to provide owners and occupiers of those lowest energy rated dwellings with information on measures that may be taken to improve the energy performance of the dwelling and on any financial assistance that may be available for such measures.

Annex B: Criteria for proposed tiered levels of access

We propose the following levels of access:

- Level 1: Access to data including address level data - other organisations on application to the Secretary of State for purposes of research and policy development. This will include address level data which we consider to be personal information; there will be no retrospective access. If we were to grant this access we would need to inform individuals so that they are aware of where their information is going to be disclosed and for what purpose. Where access is granted such access would be conditioned as specified in a letter of agreement as outlined in paragraph 9, Chapter 2.
- Level 2: Access to address level data - LAs for purpose of developing targeted local Carbon Frameworks. All LAs would need to enter into a letter of agreement as outlined in paragraph 9, Chapter 2.
- Level 3: Access to anonymised¹² data either as published reports or by the provision of ad hoc reports to meet bespoke requests to allow more sophisticated analysis for research purposes - for example other Government Departments and agencies and research and academic institutes.
- Level 4: Access to individual EPCs by those with the specific reference number, in line with the current 2007 Regulations.
- DEC: Public access to individual DECs and aggregated data reports to show general statistics and trends.

¹² Anonymisation means the effectively permanent removal of personal identifiers from personal data.

