

14 Jun 2006 : Column 57WS

Written Ministerial Statements

Wednesday 14 June 2006

COMMUNITIES AND LOCAL GOVERNMENT

EU Energy Performance of Building Directive

The Minister for Housing and Planning (Yvette Cooper): I am making a further statement today on how the Government intend to implement the remaining provisions of the **EU Energy Performance of Buildings Directive** in order to encourage the reduction of **energy** consumption and associated carbon emissions arising from the use of **buildings**.

Nearly 50 per cent. of the UK's emissions are generated through the way we heat, light and use our **buildings**. The Government's climate change agenda recognises that comparatively minor changes to the ways in which we construct and use **buildings** can have a large cumulative effect.

These measures aim to ensure that appropriate **energy performance** information is made available to enable people to make informed choices when buying or renting new or existing **buildings**.

Last September the Government announced that there would be an amendment to Part L of the **building** regulations to raise **energy** efficiency standards and at the same time implement Articles 3, 4, 5 and 6 of the **Energy Performance of Buildings Directive** in England and Wales. These changes, which improve **building energy** efficiency standards by 40 per cent. over 2002, came into force on 6 April 2006 and are being supported by a comprehensive dissemination and training programme to help industry and **building** control bodies comply with them. This amendment sets out national methods for calculating **energy performance**, and tougher **energy** efficiency standards for **building** work. It is the Government's intention to adopt reduced data SAP (RDSAP) a simplified SAP methodology for the assessment of existing dwellings including the **energy performance** certificate for HIPs.

For the remaining provisions of the European **Directive**, we need to ensure that there are sufficient qualified and/or accredited surveyors and appropriate procedures in place. The **Directive** allows a three-year derogation to apply fully the requirements for **energy** certificates and plant inspections and we are working with stakeholders to ensure sufficient numbers of trained inspectors are in place to support a phased programme of implementation. We are rolling out this programme shortly with **energy** certificates in home information packs and making a separate statement about this today.

We will adopt a system of calculated asset ratings when **energy performance** certificates are required upon construction, sale or rent and to allow for the use of operational ratings, derived from measured **energy**

14 Jun 2006 : Column 58WS

consumption, for those obliged to provide certificates for public display. We are engaging with other Government Departments over the implementation and particular display requirements.

Public display will initially be for **buildings** over 1,000m⁽²⁾ occupied by public authorities and by institutions providing publicly funded services to large numbers of persons. This is important as the public sector should be seen to be taking the lead in respect of disseminating **energy performance** and actively seeking ways of reducing their **energy** consumption.

We are committed to widening the display requirement to all public and private sector **buildings** where it can be demonstrated this is cost-effective to do so. We shall be publicly consulting on this to take full account of stakeholders' views.

In September last year the Government signalled that we would develop a system of nationally recognised qualifications for those wishing to practice as **building**, boiler plant and air conditioning plant **energy** surveyors.

This process is under way and a national occupational standard has already been created that covers **energy** certification of dwellings at the point of marketed sale. There are over 4,000 home inspectors who are undergoing training to support the introduction of the home information pack that will become mandatory from June 2007. We are now working with the appropriate Sector Skills Councils and industry stakeholders to expand this across other sectors.

Preparatory work for the phased programme of implementation has been proceeding, involving key stakeholders from across both industry and consumer organisations and we will increasingly be working with these groups to finalise the details of the phasing programme and other aspects of the implementation. As this work matures, the Government plan to lay a Statutory Instrument in early 2007 to transpose the **Directive** into law.

Over time most business owners, home owners and tenants are likely to be affected by the **Directive** in some way and it is of considerable importance that they are fully aware of developments in this area. To this end, we shall also shortly be initiating a programme of communication aimed at the different sectors involved.

Ministers in Scotland and Northern Ireland are responsible for the implementation of the **Directive** in their regions.

Home Information Pack Regulations

The Minister for Housing and Planning (Yvette Cooper): I have today laid before Parliament the Home Information Pack Regulations 2006, made under the Housing Act 2004. This is a key milestone for the introduction of home information packs throughout England and Wales from 1 June 2007.

The Regulations prescribe the contents of home information packs. They provide for exceptions from the Home Information Pack duties, and make provision for the

approval of certification schemes in

14 Jun 2006 : Column 59WS

connection with home condition reports. The Regulations also make transitional provision for homes already on the market when the Home Information Pack duties come into force, and specify the level of penalty charge that may be levied where these are breached.

Making the Regulations a year ahead of the Home Information Pack duties coming into force ensures that the industry has good time to prepare for the introduction of packs, including processes for assembling and supplying pack documents which comply with the Regulations and bring genuine benefits for consumers. It also enables the Secretary of State to approve certification schemes required to ensure that there are enough home inspectors qualified and able to prepare home condition reports.

The Regulations and the principles underlying them have been the subject of extensive consultation with the industry and consumers. Consideration of consultation responses and drafting of the Regulations have been undertaken in close consultation with consumer and industry organisations including Which?, The Law Society, Royal Institution of Chartered Surveyors, National Association of Estate Agents and the Council of Mortgage Lenders.

The detailed content of home information packs prescribed in the Regulations will be tested fully during the dry run or phased implementation being undertaken over the next few months, as well as through further discussions with stakeholders, so that lessons can be learnt and any changes made in time for full implementation next year. home information packs aim to deliver:

A reduction in waste and duplication because different buyers won't have to pay several times for the same information - especially when sales fall through;

A reduction in the number of failed transactions because information on the condition of the property is available at the beginning, rather than problems emerging late in the day;

Fewer delays because information is provided at the beginning;

Increased competition and transparency in the market;

Better **energy** efficiency information on homes with practical information on how to cut fuel bills and costs for first time buyers;

Reduced costs for first time buyers who will get HIPs for free as costs are transferred from buyers to sellers: and

Improved redress arrangements for consumers when things go wrong. All estate agents marketing homes with home information packs will be required to belong to an approved independent redress scheme.

The industry is already developing home information pack systems and intends to market these well in advance of the packs becoming mandatory. An increasing number of estate agents and property professionals are already providing partial packs on a voluntary basis. These developments, backed by the Regulations, mean that sellers and buyers will not have to wait until June 2007 before they can benefit from the improvements that the packs will deliver to the home buying and selling process.

The Government have also published the standards for the Certification Schemes for home inspectors. These will ensure that home inspectors are properly

14 Jun 2006 : Column 60WS

qualified and have proper industry insurance so that buyers, sellers and lenders can have full confidence in the home condition report.

Once the Certification Schemes are in place later in the year, the dry run of voluntary home information packs will accelerate. The Government will ensure there is extensive assessment and monitoring of the dry run.

Guidance on the Regulations and an assessment of the impact of the introduction of home information packs are being published on the dedicated website <http://www.communities.gov.uk/index.asp?id=1500716>.

Copies will be available in both Libraries of the House.