Reforms to the Energy Performance of Buildings regime

Ministry of Housing, Communities & Local Government &
Department for Energy Security & Net Zero

UK100 Submission

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Introduction

This submission is from UK100 which is a network of 116 local authorities and their leaders who have pledged to lead a rapid transition to net zero in their communities ahead of the Government's 2050 legal target.

Question 1

To what extent do you agree or disagree that information using an energy cost metric should be displayed on EPCs? Please select one option for each building type.
Domestic buildings: Agree
Non-domestic buildings: Agree

While UK100 acknowledges the consumer value of energy cost metrics for domestic properties, we have significant concerns about their implementation.

For domestic buildings, we recognise research showing cost is the metric consumers most value. A well-designed cost metric can motivate homeowners and renters to make energy improvements when they see potential bill reductions. However, the current methodology requires substantial reform.

The existing system disadvantages off-gas properties, with our research showing that most off-gas properties will never reach EPC C under the current cost-based approach. Any cost metric must be dynamic, reflecting current energy prices rather than outdated assumptions, and should clearly demonstrate savings from low-carbon heating systems.

For non-domestic buildings, we strongly oppose a cost metric. We agree with our sector partners at UKGBC who have said the cost of energy for non-domestic buildings varies so widely depending on the use of the building and activities carried out within it, an energy cost metric would be of little use to prospective owners or occupiers.

Most importantly, while cost information has value for consumers, it should not form the basis for government policy interventions or regulations. As E3G notes, "policy interventions like grants or standards should not use this metric" due to fluctuating energy prices. Instead, fabric efficiency and heating system metrics should drive policy and enforcement mechanisms.

Question 2

To what extent do you agree or disagree that information derived from a fabric performance metric should be displayed on EPCs?
Domestic Strongly Agree
Non- Domestic Buildings: Strongly Agree

UK100 strongly supports the inclusion of a fabric performance metric on EPCs for both domestic and non-domestic buildings. This metric is fundamental to driving genuine energy efficiency improvements in the UK's building stock across all tenures and typologies.

Our research has consistently shown that the current EPC system fails to adequately assess building fabric, functioning as merely a tick-box exercise based on presence/absence of features rather than actual performance. This superficial approach leads to EPCs that don't reflect real-world thermal efficiency, particularly problematic for the 2.7 million privately-rented homes rated D or below.

The fabric metric should form a cornerstone of the reformed EPC, as it measures what truly matters – how well the building retains heat regardless of the heating system or fuel type. Unlike the volatile energy cost metric, fabric performance provides a stable, long-term measure of efficiency that's ideal for setting regulation and tracking progress.

For our local authority members, this would significantly improve enforcement capabilities in the private rented sector. The current system recommends measures that are often technically unsuitable, particularly for traditional buildings. A robust fabric metric would enable more appropriate, tailored advice for different building types, including rural and historic properties that struggle under the current framework.

As the foundation of building performance, fabric efficiency should be prominently displayed on the EPC and used as the primary basis for minimum standards and grant eligibility. It would provide clarity for landlords, homeowners, and local authorities on which improvements will deliver the most significant, lasting benefits in terms of both carbon reduction and occupant comfort.

Question 3

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When evaluating the fabric performance of buildings, which methodology do you think should inform the basis of calculating a fabric metric? Please select one option for each building type.

Domestic buildings
No preference
Don't know
FEES
HLP/HTC
Other

Non-domestic buildings
No preference
Don't know
FEES
HLP/HTC
Other

To what extent do you agree or disagree that information based on a heating system metric should be displayed on EPCs ? Please select one option for each building type.

UK100 strongly supports the inclusion of a dedicated heating system metric on EPCs for both domestic and non-domestic buildings. This would address critical gaps in the current assessment framework that our research has identified.

The current EPC methodology fails to adequately represent heating system efficiency in real-world conditions, contributing to the problem where we're paying for the privilege to burn gas and pump it straight into the atmosphere. With half of all renters living in homes that are cold and expensive to heat, a specific heating system metric would provide vital transparency about this crucial aspect of building performance.

This metric would complement the fabric performance measure, creating a more comprehensive assessment framework that recognises both the quality of the building envelope and the efficiency of heating delivery. Together, these metrics would drive holistic improvements rather than piecemeal upgrades that may not deliver genuine efficiency gains.

For our local authority members struggling with enforcement, a clear heating system metric would help identify properties with the most inefficient systems, allowing for more targeted intervention strategies. This would support our call for better data and more effective enforcement mechanisms to address the 239,000 families in the worst, leakiest and coldest housing.

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The heating system metric should be designed to encourage low-carbon alternatives without penalising properties without access to gas networks. It should provide clear guidance on system efficiency and appropriateness, addressing our concern that current EPCs often recommend measures that are technically unsuitable for many property types.

Question 5

What are your views on the design principles and the scope for a Heating System metric? Please provide evidence where possible.

The heating metric should use different methodologies for electric versus fossil systems. Fossil heating should be assessed on carbon emissions and score poorly, reflecting the 2050 phase-out requirement. Electric systems should be evaluated on efficiency, initially using estimated efficiency by technology type, with future transitions to actual performance monitoring. Implementation must protect vulnerable households from costly direct electric systems and ensure appropriate matching of systems to building performance and usage patterns while removing barriers to innovation.

Question 7

What are your views on the definition, design principles and the scope for a smart readiness metric? Please provide evidence where possible.

Question 8

To what extent do you agree or disagree that information from an energy use metric should be displayed on EPCs? Please select one option for each building type.

Energy Use Metric should be captured in EPCs, however, we agree with E3G and UKGBC that it shouldn;t be the headline metric for consumers and should be included in the advanced view of the metrics. Notwithstanding, energy in use is vital for understanding the energy efficiency of the building stock. Capturing this data will help local authorities identify where their retrofit schemes and energy efficiency programmes should be targeted.

Question 9

If an energy use metric is to be displayed on Energy Performance Certificates (EPCs), which type of energy use measurement should be used to calculate this metric? Please select one option for each building type.
Domestic buildings
- No preference

- Don't know
- Delivered energy
- Primary energy
- Other (please specify)

Non-domestic buildings

- No preference
- Don't know
- Delivered energy
- Primary energy

It is important that the actual energy use is displayed to better inform consumers and their local authority of the energy use in their area. Primary energy could serve a purpose for non-domestic buildings who may wish to make drastic changes to how energy is used in the building, but for domestic situations where there is a restricted capacity to adjust how energy is delivered, it would be more appropriate to identify the delivered energy.

Question 10

To what extent do you agree or disagree that information from a carbon-based metric should be displayed on EPCs? Please select one option for each building type.

Strongly Agree

Carbon based metric is the most important metric for local authorities to understand the carbon footprint of the building stock. It is also useful for consumers to understand the climate considerations of their housing. Whilst this may not always be the most important consideration for consumers, it is an important transparency metric. Carbon emissions from buildings account for 20% of the UK's emissions and the UK and the constituent local authorities need to be able to identify the leakiest buildings to guide their strategies to reduce their carbon emissions.

UK100 endorses UKGBC's proposal for a simple, easy-to-understand carbon rating system to track progress toward Net Zero targets. This system would incentivise low-carbon heating and align with the Net Zero Carbon Building Standard by providing both qualitative ratings (such as 'net zero', 'nearly net zero', 'moderate emissions') and quantitative annual CO2 footprint measurements. The approach accounts for planned grid decarbonisation while offering interactive features that enable householders to explore their carbon impact and reduction options.

Question 11

To what extent do you agree or disagree with incorporating smart metering technologies,

like SMETERS, into the energy performance assessment framework for buildings? Please select one option for each building type.

The incorporation of SMETERS would improve the accuracy of reporting data and provide consumers with immediate feedback about their energy use.

Question 12

Do you have any views on key transition issues?

When energy certificates are required (EPCs and DECs)

Question 13

What should be the validity period for Energy Performance Certificate (EPC) ratings?
- Don't know
- Less than 2 years
- 2 years
- 5 years [NRH agree]

Question 14

To what extent do you agree or disagree with the approach for any changes to validity periods to only apply to new EPCs?

Accuracy and coverage could be improved with flexible EPC validity. Provisional ratings could improve engagement, while a validated EPC (from an in-person assessment) could be required for high-stakes situations.

A two-year transition period retaining current validity rules would help balance accuracy improvements with minimal disruption. Trigger points, such as major building works, could ensure updates reflect real changes, but too many could discourage upgrades.

It is important to prioritise data over overly burdening owners, which may result in no data at all. A flexible approach is supported.

Question 15

To what extent do you agree or disagree that a new EPC should be required when an existing one expires for private rented buildings?
- Strongly disagree

- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

Question 16

To what extent do you agree or disagree that the regulations should be amended so that a property must have a valid EPC before it is marketed for sale or rent?

The current system in Scotland, where buyers make more informed decisions due to the mature EPC market, has been working well. This arrangement could be adopted to support change and allow buyers to make more informed decisions. The EPC system is well established and would be able to handle this change.

Question 17

To what extent do you agree or disagree that houses in multiple occupation (HMOs) which don't already fall under the (Minimum Energy Efficiency Standards) MEES should do so when a room is rented out?

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

The private rented sector contains some of the least energy-efficient homes and can be difficult for local authorities to regulate. Regularly updating EPCs would give consumers and local authorities a better understanding of their housing stock. Since tenants can move out unexpectedly, it is recommended that EPCs be updated either when a new tenant moves in or within the last 12 months, to allow for flexibility.

Question 18

To what extent do you agree or disagree that there should be a transitional period of 24 months to allow HMO landlords to obtain a valid EPC and comply with MEES regulations?

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

If you wish, please explain your reasoning and provide any evidence to support

your view.

UK100 agrees with the proposed 24-month transitional period for HMO landlords to obtain valid EPCs and comply with MEES regulations, though we believe this timeframe is more than sufficient. With 97% of homes already rated EPC E or above, most landlords should be able to implement necessary improvements within this period or sooner.

However, significant enforcement challenges must be addressed to make this transition effective. Local authorities currently lack a central database of EPCs for rented properties, forcing them to spend a disproportionate amounts of time identifying non-compliant properties. Existing data sources are not sufficiently accurate or cross-referenced, while data protection concerns hamper efforts to identify non-compliant landlords. A pilot study of seven authorities found annual enforcement costs could reach £140,000 per authority, and a 2020 Freedom of Information request revealed only 17 of 268 councils actively enforcing existing standards.

We support E3G's recommendation to strengthen local council enforcement capabilities through dedicated funding via a levy on the proposed national landlord register. Councils' statutory duty to ensure homes meet energy efficiency standards should be clarified and reinforced as part of this transition.

There is a proposal to remove the general prohibition on sharing data gathered under the EPB Regulations and replace it with a Secretary of State discretion about when, how and with whom to share the data.
To what extent do you agree or disagree with the proposal?
• Strongly disagree
• Disagree
• Neither agree nor disagree
• Agree
• Strongly agree

The expense of EPC data collection for local authorities is considerable, requiring significant human resources. Sharing this data between local authorities would promote efficiency and aid in achieving energy efficiency targets. Restricting data access has not served the public interest and has instead created inefficiencies in improving energy efficiency.

Question 31

To what extent do you agree or disagree that data gathered in previous EPC assessments should be available for use in future EPC calculations for a dwelling?
• Strongly disagree
• Disagree
• Neither agree nor disagree

- Agree
- Strongly agree

Question 32

What are your views on the approach to using existing data, while balancing accuracy and Practicality?

- A balanced approach to EPC data should prioritise broad coverage and user simplicity while maintaining accuracy for critical use cases.
- To enable regular and dynamic EPC updates, existing validated data should be leveraged whenever building changes occur. Additionally, integrating EPCs with Digital Building Logbooks (DBLs) could enhance transparency and reliability. DBLs, which securely store and update building information from various sources, would help validate construction details and performance metrics, ensuring a more robust and trustworthy EPC system.An optimal approach to Energy Performance Certificate (EPC) data should prioritize comprehensive coverage and user-friendliness, while ensuring accuracy for key applications.

To facilitate regular and dynamic EPC updates, existing validated data should be utilized whenever building changes occur. Furthermore, integrating EPCs with Digital Building Logbooks (DBLs), which securely store and update building information from various sources, could enhance transparency and reliability. DBLs would help validate construction details and performance metrics, ensuring a more robust and trustworthy EPC system.

Question 35

To what extent do you agree or disagree with these proposals to improve compliance?
- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

If you wish, please explain your reasoning or other ways to improve compliance and provide any evidence to support your view.

For effective implementation, responsibilities for enforcement must be clearly defined, and enforcement bodies need adequate resourcing. Our Powers in Place report found evidence that local authority enforcement faces significant challenges including data fragmentation, identification difficulties, and severe resource constraints costing authorities up to £140,000

annually, with a 2020 study showing only 17 of 268 authorities had sufficient resources to properly enforce compliance.

Question 38

When should penalties be imposed for non-compliance with Energy Performance of Buildings Regulations (EPBR) requirements?

- Don't know
- At 6 months (no increase)
- At 12 months
- At 18 months
- Following more than 18 months

What are your views on changing the current allocation of responsibilities for enforcing Energy Performance of Buildings Regulations (EPBR)?

UK100 believes the current allocation of responsibilities for enforcing Energy Performance of Buildings Regulations (EPBR) needs significant reform. Local authorities currently face substantial challenges in enforcement due to the fundamental difficulty of identifying landlords who own non-compliant properties.

We strongly support the implementation of a mandatory national landlord register as a critical solution to this enforcement gap. Such a register would enable councils to efficiently identify landlords responsible for properties, dramatically improving their ability to enforce regulations effectively. This system could substantially increase compliance rates while reducing the disproportionate time and resources councils currently spend trying to locate responsible parties.

To ensure high participation rates, the register could incorporate incentives such as VAT benefits for registered landlords. This approach would create a more comprehensive, accessible database of property ownership that would strengthen enforcement capabilities while providing a more streamlined experience for compliant landlords.

We would be grateful if, in addition to considering UK100's response to this consultation, you would also explore opportunities for further engagement. Please get in touch if you would like to know more and we would also be happy to convene a discussion with our member local authorities to discuss the themes covered by this consultation in more detail.