

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

Second Delegated Legislation Committee

DRAFT ENERGY PERFORMANCE OF BUILDINGS
(ENGLAND AND WALES) (AMENDMENT)
REGULATIONS 2022

Tuesday 8 March 2022

No proofs can be supplied. Corrections that Members suggest for the final version of the report should be clearly marked in a copy of the report—not telephoned—and must be received in the Editor’s Room, House of Commons,

not later than

Saturday 12 March 2022

© Parliamentary Copyright House of Commons 2022

This publication may be reproduced under the terms of the Open Parliament licence, which is published at www.parliament.uk/site-information/copyright/.

The Committee consisted of the following Members:

Chair: †JAMES GRAY

- | | |
|---|--|
| † Aiken, Nickie (<i>Cities of London and Westminster</i>) (Con) | † Jones, Andrew (<i>Harrogate and Knaresborough</i>) (Con) |
| † Baker, Duncan (<i>North Norfolk</i>) (Con) | † Mayhew, Jerome (<i>Broadland</i>) (Con) |
| † Blomfield, Paul (<i>Sheffield Central</i>) (Lab) | † Pennycook, Matthew (<i>Greenwich and Woolwich</i>) (Lab) |
| † Brine, Steve (<i>Winchester</i>) (Con) | † Stafford, Alexander (<i>Rother Valley</i>) (Con) |
| Champion, Sarah (<i>Rotherham</i>) (Lab) | Trickett, Jon (<i>Hemsworth</i>) (Lab) |
| † Colburn, Elliot (<i>Carshalton and Wallington</i>) (Con) | † Vickers, Matt (<i>Stockton South</i>) (Con) |
| Cryer, John (<i>Leyton and Wanstead</i>) (Lab) | |
| † Dines, Miss Sarah (<i>Derbyshire Dales</i>) (Con) | |
| Duffield, Rosie (<i>Canterbury</i>) (Lab) | Nick Taylor, <i>Committee Clerk</i> |
| † Fletcher, Colleen (<i>Coventry North East</i>) (Lab) | |
| † Hughes, Eddie (<i>Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities</i>) | † attended the Committee |

Second Delegated Legislation Committee

Tuesday 8 March 2022

[JAMES GRAY *in the Chair*]

Draft Energy Performance of Buildings (England and Wales) (Amendment) Regulations 2022

9.25 am

The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Eddie Hughes): I beg to move,

That the Committee has considered the draft Energy Performance of Buildings (England and Wales) (Amendment) Regulations 2022.

This statutory instrument was laid before the House on Monday 31 January, under paragraph 12 (1) of schedule 7 of the European Union (Withdrawal) Act 2018. It will be debated in the House of Lords in due course. Mirroring legislation has been prepared for data registered against properties in Northern Ireland, which will be considered by the Assembly. Scotland operates its own energy performance of buildings register and will not be covered by the regulations.

This is probably one of the most straightforward SI that Members will ever be asked to approve. It relates to the statutory fees that are charged when data are registered for energy performance certificates, display energy certificates and air conditioning inspection reports for properties in England and Wales. Fees are applied to two classes of data registration covering domestic and non-domestic properties. The regulations propose to reduce the fees from £1.64 to £1.50 when data are lodged for domestic properties, and from £1.89 to £1.70 for non-domestic properties.

The Committee may recall that fees charged for data registrations in England and Wales were last adjusted nearly a year ago, and I understand that you were in the Chair, Mr Gray, on that historic occasion too.

The Chair: I remember it well.

Eddie Hughes: It was my predecessor who introduced a SI similar to the one we are debating. A significant reduction in fees was possible because the Government had invested in a new, cloud-based digital platform and had moved away from the fixed hardware model, run on concession contracts, which had been in place since 2008. In the past 12 months, contractual costs for building the service have fallen out of the model, which means we have the opportunity to extend last year's reductions further. I sincerely hope that colleagues will therefore join me in supporting the regulations and I commend them to the Committee.

9. 27 am

Matthew Pennycook (Greenwich and Woolwich) (Lab): It is a pleasure, as always, to serve with you in the Chair, Mr Gray. I thank the Minister for so ably summarising the regulations, which, for reasons that will be obvious to Committee members, are entirely straightforward, as

the Minister said, and uncontroversial. None the less, as I said to the hon. Gentleman before the Committee sat, I am going to make him earn his salary by asking a series of quick questions, some general and some specific to the SI.

First, in relation to the general issue of—

The Chair: Order. Before the hon. Gentleman starts, it might be worth reminding him that he may only put questions relating to this particular SI and not to more general matters at all. That would not be in order.

Matthew Pennycook: Thank you for clarifying that, Mr Gray. My questions relate directly to the instrument in the sense that it concerns EPC ratings.

The Minister is responsible for the climate change portfolio and net zero policy in the Department for Levelling Up, Housing and Communities, and therefore he will have a keen grasp of the scale of the challenge we face to retrofit our country's extremely inefficient building stock, and the importance to that national effort of accurate information about current ratings. Given that the regulations relate to the EPC register, I am keen to understand whether the Department knows the exact proportion of buildings in England and Wales that are on that register and, crucially, whether all buildings with EPC ratings are adding their names to that register. How confident is he that it is accurate?

Secondly, as for the effect of the regulations, the explanatory memorandum notes that as a result of the progressive shift to cloud-based systems, as the Minister noted, the Government have been overcharging the fees to register for some time. The precise period of overcharging is not specified. The fees are required to cover the cost of the register and although the fees reduction may seem small, when aggregated we are talking about serious amounts of money that have been overcharged and over-recorded during that period, whatever it might be. I simply wish to know how long that overcharging has run; how much has been collected as a result and what the Government have done with that money?

9. 29 am

Eddie Hughes: I thank the shadow Minister for his questions. To start at the end, it is absolutely our intention not to overcharge. At the start of year, however, we have to estimate the number of lodgements that are likely to be made and the associated costs. One sum is then divided by the other, and that comes up with the fee. Given that we changed the figures to reduce prices last year, we can only do that annually, because we must make some assessment at the start of the year of the expected volume of registrations. We have done that and have therefore recalibrated to reduce fees again at the first reasonable opportunity. We had some concern that market instability caused by the pandemic might have led to registration figures dropping significantly and that we had to price accordingly, but that has not proved to be the case and we have been able to adjust the figures again. That was absolutely what we intended to do and there was no intention to overcharge.

As to the hon. Gentleman's question about the number of cases and whether they are all recorded, I understand that we have based the figures on roughly 155,000 cases lodged. To me, that feels as though we are being pretty thorough in terms of capturing the information on the

system. It is absolutely our intention to ensure that the integrity of the system is as robust as possible and that all the data are collected.

As for the hon. Gentleman's point about the importance of EPCs to achieving our net zero ambition, I believe that they are pivotal to it. We will therefore continue to review the EPC performance in terms of how and what we measure, and the information that we give to those who use the certificates to make future decisions. We will

ensure that they are as useful as possible. I look forward to continuing to work with the shadow Minister to ensure that, collectively, we deliver a robust energy performance process.

Question put and agreed to.

9.31 am

Committee rose.

