

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

First Delegated Legislation Committee

DRAFT ENERGY PERFORMANCE OF BUILDINGS (ENGLAND AND WALES) (AMENDMENT) REGULATIONS 2021

Monday 8 March 2021

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Friday 12 March 2021

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The Committee consisted of the following Members:

Chair: JAMES GRAY

Andrew, Stuart (*Treasurer of Her Majesty's Household*)

† Browne, Anthony (*South Cambridgeshire*) (Con)

Bryant, Chris (*Rhondda*) (Lab)

Byrne, Ian (*Liverpool, West Derby*) (Lab)

† Caulfield, Maria (*Lewes*) (Con)

Cooper, Rosie (*West Lancashire*) (Lab)

Cryer, John (*Leyton and Wanstead*) (Lab)

Davies, David T. C. (*Monmouth*) (Con)

Jarvis, Dan (*Barnsley Central*) (Lab)

Jones, Mr Marcus (*Vice-Chamberlain of Her Majesty's Household*)

† Mann, Scott (*North Cornwall*) (Con)

Morris, James (*Lord Commissioner of Her Majesty's Treasury*)

† Pincher, Christopher (*Minister for Housing*)

† Reed, Steve (*Croydon North*) (Lab/Co-op)

Rutley, David (*Lord Commissioner of Her Majesty's Treasury*)

† Western, Matt (*Warwick and Leamington*) (Lab)

Young, Jacob (*Redcar*) (Con)

Liam Laurence Smyth, *Committee Clerk*

† **attended the Committee**

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Monday 8 March 2021

[JAMES GRAY *in the Chair*]

Draft Energy Performance of Buildings (England and Wales) (Amendment) Regulations 2021

4.30 pm

The Chair: We all know the rules about social distancing, and you are all sitting perfectly satisfactorily, so I will not bore you by repeating them.

The Minister for Housing (Christopher Pincher): I beg to move,

That the Committee has considered the draft Energy Performance of Buildings (England and Wales) (Amendment) Regulations 2021.

It is an ineffable pleasure to serve under your chairmanship, Mr Gray. The draft regulations were laid before the House on 22 February, under paragraph 12(1) of schedule 7 to the European Union (Withdrawal) Act 2018. They will be debated and moved in the House of Lords as parliamentary time allows. Mirroring legislation is being prepared for data registered against properties in Northern Ireland, and that will be presented to the Assembly later in March. Scotland operates its own energy performance of buildings register, and is not covered by the draft regulations.

This is a straightforward statutory instrument relating to the statutory fees that are charged when data is 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 draft regulations propose to reduce fees from £1.86 to £1.64 when data is lodged for domestic properties, and from £9.84 to £1.89 for non-domestic properties.

The Committee may recall that the fees charged for data registrations in England and Wales were last adjusted three years ago. They were amended by statutory instruments on six occasions between 2012 and 2018. The Committee will also, I am sure, recall that the United Kingdom has set a target in law to bring its greenhouse gas emissions to net zero by 2050 to help tackle climate change.

Heating and powering buildings accounts for some 40% of the United Kingdom's total energy usage, so we must ensure that buildings are constructed to high standards of energy efficiency. The energy performance of buildings registers are a key tool in promoting energy efficiency, providing valuable information about the energy performance of buildings and encouraging homeowners, and commercial building owners and occupiers, to improve the energy efficiency of their buildings.

An energy performance certificate is needed whenever a property is built, sold or let, and must be ordered before a property is marketed for sale or rent. At a glance, a consumer searching for a new home or commercial premises—as the cap fits—may determine how efficient

a property might be, while an owner may consider the recommendations as to how they might improve the energy efficiency of their property.

Historically, energy performance of buildings regulations were part of the energy performance of buildings directive. We retained the regulations after we left the European Union, as they contribute to our target of achieving net zero greenhouse gas emissions by 2050. They set out the Secretary of State's obligation to maintain a register of data so that energy performance certificates, display energy certificates and air conditioning inspection reports can be recorded in a readily accessible format and made available to the public.

Regulation 28 of those regulations sets out a power to levy fees to maintain registers. Officials in my Department calculate the appropriate level of fees each year and, on that basis, propose costs of service divided by a forecast number of data lodgements expected to provide the charge. A reduction in fees is possible now, because the Government have invested in new cloud-based digital platforms and moved away from the fixed hardware model that has been in place for the past 13 years. That will ensure that energy performance of buildings—and the register thereof—is user-centred and fit for the future.

The new fee rates set out in this draft instrument will allow the costs of operating the energy performance of buildings register service to continue to be met without profiteering or allowing lodgement fees to subsidise a loss. In other words, the charge will not cost the lodger more than it should, and it will not cost the taxpayer anything at all. Costs of the service have been calculated in line with Government policy and tested with the Treasury and stakeholders in the property energy profession.

The draft regulations serve a very specific purpose: to reduce the statutory fees that are charged when data is registered for domestic and non-domestic energy performance certificates, display energy certificates and air conditioning inspection reports. Over the two classes of fee, reducing domestic data registration fees represents a 12% saving, while reducing non-domestic data registration fees is an 81% saving. I hope that the Committee will agree that these are sensible measures, which will afford the lodger some saving and cost the taxpayer nothing, so I commend them to the Committee.

4.36 pm

Steve Reed (Croydon North) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Mr Gray.

The measures under consideration are not controversial, and we will support them, but this is perhaps an opportunity to express some concern about the Government's green homes agenda more widely—

The Chair: In the context of the SI.

Steve Reed: Absolutely, and in response to comments made by the Minister.

Homeowners, for example, would have had more encouragement to green their homes had the Government not cancelled the zero-carbon homes standard, which was due to come into force in 2016, only later to replace it with a future homes standard that will not come in before 2025. Every year of delay pumps millions of

tonnes of carbon into the atmosphere and families spend years more in homes that are colder and more expensive to heat. Many people have commented on the failings of the green homes grants—

The Chair: That has nothing whatever to do with the SI.

Steve Reed: It is connected with the issues of concern, and the Minister was speaking about encouraging homeowners to green their homes. Sorry, I was merely making comments in response to the Minister.

The Chair: Stick to the draft regulations.

Steve Reed: Absolutely.

In a report last week, the Public Accounts Committee said that the Government have “no plans” to meet climate change targets, two years after setting them in law. The UK’s stock of 27 million houses includes some of the worst insulated and least energy-efficient homes in Europe. We hope that the Government will take the example of what is proposed in this SI to move further with that agenda and to deliver a big improvement in work to hit our climate change targets by making homes in the UK warm, dry and affordable to heat.

The provisions in the draft regulations are welcome, but we need the Government to get more serious about the green transition necessary to tackle the climate crisis. The green homes agenda should be a central plank of that.

4.38 pm

Christopher Pincher: I am obliged for your indulgence, Mr Gray, and to the shadow Minister for his support for this—as he rightly said—uncontroversial measure.

The hon. Gentleman made a couple of comments about the Government’s policy on greening our economy and greening homes to meet our net zero carbon agenda, so I will spend one minute responding to those, Mr Gray.

The Chair: No more than.

Christopher Pincher: I am pleased that the hon. Gentleman recognises what the Government are doing. Perhaps I might point him with some advantage to the work that the Department for Business, Energy and Industrial Strategy is doing with the green homes grant, which will retrofit more than 600,000 properties in the country over the next several years to ensure that they are far more energy-efficient and therefore far less costly to the dwellers in them, because energy will be saved in houses and far less will have to be spent by the homeowners on their energy bills.

The hon. Gentleman mentioned the future homes standard, which we are introducing in 2025. Homes built after that point will be at least 75% more carbon-efficient than present homes. That is a fine objective, which will be met, because by that time we will have ensured that the sector, with the skills to support it, will be ready to implement the changes necessary to meet the objectives.

In the meantime, we are uplifting the performance requirements of homes by 31%, which will go a significant way to preparing the industry for the future homes standard, while ensuring that we also reduce our carbon footprint as quickly as the economy allows. With that, Mr Gray, I am grateful for your indulgence.

Question put and agreed to.

4.40 pm

Committee rose.

