



# Adviser

## Energy performance of buildings

- The Energy Performance in Buildings (Certificates and Inspections) (England and Wales) Regulations 2007 were laid before Parliament on 29 March 2007 and come in to force in a phased manner.
- The Regulations require Energy Performance Certificates for all buildings when they are constructed, sold or rented out.
- Display Energy Certificates are required for large public buildings occupied by public authorities or institutions. These need to be displayed at all times.
- Both certificates must be accompanied by reports listing recommended measures for improving the energy performance and meet minimum energy requirements.
- Non-compliance with the regulations can lead to fines, as well as an inability to complete the sale or lease of a building.
- The EU goal is to reach 28% CO2 emissions reduction produced by buildings by 2020.

**‘Buildings account for some 40% of energy consumption on the European Community. Demands for lighting, heating and cooling, and hot water in our homes, workplaces and leisure facilities consume more energy than either transport or industry.**

**...The new EU directive on the energy performance of buildings will ensure that building standards across Europe place high emphasis on minimising energy consumption.’**

Source: European Commission.



The European Union (EU) introduced an Energy Performance of Buildings Directive in 2002. The purpose of the Directive is to ‘promote the improvement of energy performance of buildings within the Community taking into account outdoor climatic and local conditions, as well as indoor climate requirements and cost-effectiveness.’

In England and Wales articles 7,9 and 10 of the Directive have been implemented into law as The Energy Performance of Buildings (Certificates and Inspections) (England and Wales) Regulations 2007. These regulations were laid before parliament on 29 March 2007 and come into force in a phased manner.

Action is required by business and public bodies in England and Wales, in order to comply with these regulations. This document outlines the requirements of the regulations and the help that is available.



## What the Regulations require

The regulations revolve around the need for Energy Performance Certificates (EPC). They rate the energy performance of a building (much like the energy labels that are used for the sale of white goods such as fridges and washing machines). Each member state will manufacture its own calculation methods and implementation. EPCs show prospective building owners or tenants the current energy performance rating of a building. Ratings are on an A-G scale, based on a benchmark measure of similar buildings, and include a potential rating that the building could achieve if improved.

This includes asset rating; calculated rating based on standard weather and building use, and operational rating; based on measured energy use.

Two types of energy certificates are required in different circumstances:

**Energy Performance Certificates (EPCs)** for all buildings when they are constructed, sold or rented out; and

**Display Energy Certificates (DECs)** for buildings occupied either by a public authority (public administration offices, universities and colleges, schools, sport facilities, hospitals and other health facilities) or an institution providing a public service.

DECs are intended to show visitors to large public buildings how well the buildings are being run, again with a rating on the A-G scale.

EPCs must be accompanied by a recommendation report and DEC must be accompanied by an advisory report. Both types of report list recommendations of measures to improve the energy performance and management of building.

EPCs are valid for a period of 10 years (except in respect of the sale of homes where a home information pack is required. In this case, the EPC must be no more than 12 months old when the property is first marketed.

As far as non-private dwellings are concerned, the key dates are shown in the table below.

## Key dates

<b>6 April 2008 (article 7)</b>	<ul style="list-style-type: none"><li>■ EPCs required on construction for all dwellings.</li><li>■ EPCs required for the construction, sale or rent of buildings, other than dwellings, with a floor area over 10,000m<sup>2</sup>.</li></ul>
<b>1 July 2008</b>	<ul style="list-style-type: none"><li>■ EPCs required for the construction, sale or rent of buildings, other than dwellings, with a floor area over 2,500m<sup>2</sup>.</li></ul>
<b>1 October 2008</b>	<ul style="list-style-type: none"><li>■ EPCs required on the sale or rent of all remaining dwellings.</li><li>■ EPCs required on the construction, sale or rent of all remaining buildings, other than dwellings.</li><li>■ Display certificates required for all public buildings &gt;1,000m<sup>2</sup>.</li></ul>
<b>4 January 2009 (article 9)</b>	<ul style="list-style-type: none"><li>■ First inspection of all existing air-conditioning systems over 250 kW must have occurred by this date*.</li></ul>

\* a system first put into service on or after 1 January 2008 must have a first inspection within 5 years of it first being put into service.

## **The implications for businesses and public institutions**

From 6 April 2008, you will not be able to construct, sell or lease a commercial building over 10,000m<sup>2</sup> without providing an EPC to the prospective buyer or tenant.

Non compliance could result in a failure to complete conveyance, or a delay whilst the EPC is obtained.

In addition, you could be liable to fines of up to £5000 for non compliance with the requirements for an EPC. Failure to provide a recommendation report could incur a £1,000 fine.

There is an upside – understanding and improving the energy performance of your buildings could result in cost savings and improved competitiveness.

## **How to obtain the required certificates and documentation**

The certificates and reports have to be produced by energy assessors, either public or private, who are members of an accreditation scheme approved by the Secretary of State.

Through the insurer Royal & Sun Alliance Engineering we are able to provide you with access to Charterhouse Energy Limited, one of the accredited energy assessors. Charterhouse can produce the necessary certification and reports, as well as range of energy performance management services which are designed to help you reduce the carbon emissions from your building.

Please note that this activity is not regulated by The Financial Services Authority.

## **Find out more**

A copy of the Regulations can be obtained from:

<http://www.opsi.gov.uk/SI/si2007/20070991.htm>

A circular letter explaining the Regulations is available on the Communities and Local Government website:

<http://www.communities.gov.uk/planningandbuilding/buildingregulations/circularscircular/divisionalcircularletters/energyperformance/>

Please contact your usual Marsh representative for assistance or email [Nigel.Todd@marsh.com](mailto:Nigel.Todd@marsh.com)

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Ref:8025737F0056CE6F\_V5\_ExpMar09\_05/11/07