

25 May 2007

**Dear Home Inspector or Domestic Energy Assessor**

**HOME INFORMATION PACKS AND ENERGY PERFORMANCE CERTIFICATES**

I would like to begin by saying how sorry I am that it has become necessary to delay the implementation of HIPs and EPCs until 1 August 2007 - a decision that I appreciate may be causing you concern but on which the Government had no real choice. However, I can assure you that the Department remains committed to introducing HIPs and EPCs as soon as practicable both because of the contribution they will make to reducing carbon emissions from homes and the improvements they will bring to the home buying and selling process. In addition, the introduction of EPCs is a requirement of the EU Directive on the Energy Performance of Buildings.

This was a difficult decision to take. When considering the situation we fully recognised and took into account the position of those - including you - who would be affected by the decision to defer.

However we had to make a judgement on what was right for consumers and the housing market. For practical reasons we had to delay the implementation of HIPs and EPCs for a short period, and to introduce some transitional steps related to that implementation. We took this decision with the aim of ensuring an implementation process that was achievable in practice, and was not overshadowed by the uncertainties arising from court proceedings.

As you will be aware, last week the Royal Institute of Chartered Surveyors commenced a judicial review claim in relation to Energy Performance Certificates. RICS' contention was that the Energy Certificates should be allowed to be up to 10 years old (as permitted by the EU Directive) rather than up to 3 months old (as required in our regulations), and that we should consult further on that issue.

Shortly after the claim was received by the Department, an interim Order was made by the Court, effectively preventing the introduction of Energy Performance Certificates on 1 June. That Order was provisional, but it made it clear that the Court considered that the claim would have to be heard in full, and further stated that it was impossible for the claim to be heard in advance of 1 June 2007. The Court also pointed out that it did not wish to be "unnecessarily ... pressurised" into giving this claim priority over other urgent cases already waiting for hearing.

Even though we considered that our policy on EPCs was justified, and that a good defence to the RICS claim existed, the existence of the legal challenge, and the time necessary to resolve that challenge raised a real prospect of a lengthy period of uncertainty on the introduction and period of validity of Energy Performance Certificates. We considered that, had the legal challenge been left unresolved, the resulting uncertainty would have been unacceptable and would have caused immense problems for energy assessors and for the wider industry.

For this reason we reached an agreement with RICS which put the judicial review on hold and effectively will bring the challenge to an end. This will allow HIPS and Energy Performance Certificates to be introduced on 1 August 2007. As part of this agreement we need to revise the regulations to allow, as an interim measure, Energy Performance Certificates to be up to 12 months old and we will consult during the summer on the maximum age of EPCs. That consultation will not delay the introduction of HIPS and EPCs on 1 August 2007. Revised regulations will be laid as soon as practicable after the half term Parliamentary Recess.

The other practical consideration is that we do not currently have enough fully accredited DEAs and Home Inspectors in place. The numbers of people in training and who have applied for accreditation were increasing in advance of 1 June 2007: 3,200 people have now passed all their exams; a further 2,500 are in training; and 1,500 have either been accredited or applied for accreditation. However only 520 were fully accredited and are ready to practice, compared to the 2,000 that would have been required for implementation on 1 June 2007. Parliamentary arguments and misinformation in the media may have meant that some people delayed making their applications for final accreditation. But regardless of these matters we had to ensure that when implementation took place, it was effective and achievable. We believe that the short delay in the implementation of the regulations coupled with the clear statement that HIPS will be introduced from 1 August 2007 will allow the numbers of people who are fully accredited to rise significantly between now and the beginning of August.

Even so we still need to make further changes to the implementation to ensure that there are enough people in place to carry out the energy performance certificates from 1 August 2007 and that there are no delays in the market as a result.

The revised regulations will enable HIPS and EPCs to start on 1 August on a phased basis, starting with four bedroom and larger properties. We will monitor the number of people completing accreditation on a daily basis and we will extend the coverage to smaller properties just as fast as there are enough fully accredited energy assessors to complete the work. As the number of assessors rise, additional properties will be included in the system. The more accredited energy assessors there are in place by August, the faster we can move with the roll out.

The revised regulations will also allow, for a transitional period until the end of the year, during which properties can be marketed once a HIP has been commissioned, rather than requiring the seller to wait until it has been received.

We recognise that for those energy assessors who are already fully qualified and accredited the delay until 1 August 2007 will be extremely difficult. That is why we are working urgently with a number of housing associations and councils to set out a

programme for Energy Performance Certificates to be done for a range of social housing properties between now and 1 August 2007. Our aim is to help provide work for energy assessors and inspectors in June and July in advance of the implementation of HIPs and EPCs. We are keen to get this up and running as soon as possible and will be announcing details very shortly.

I can assure you the Government remains absolutely committed to introducing the rest of the Energy Performance of Buildings Directive before the end of next year, with the result that EPCs will be required for virtually all buildings that are bought, sold or rented out. In particular, EPCs will be required for all homes that are rented from 1 October 2008. Energy assessors and home inspectors accredited to assess homes are the only people who can produce these EPCs for homes.

We have moved as fast as possible to put in place new arrangements to prevent long term uncertainty about the future of Energy Performance Certificates and HIPs and we will be working swiftly to get the new regulations in place. I am sorry that this will still have caused difficulties and uncertainty for you.

**Finally, we are very keen to hear from you and to deal with your questions. You can email comments or questions to [homeinfopacks@communities.gsi.gov.uk](mailto:homeinfopacks@communities.gsi.gov.uk) or telephone our energy assessor and home inspector hotline on 0845 6430 810, Monday to Friday between the hours of 9am to 5pm.**

**Or you can write to:  
Home Information Pack Team  
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Yours sincerely



**NEIL MCDONALD  
Director, Home Information Packs Implementation**