



Asset managers hold the primary accountability for energy performance standard, but rely on property managers to co-ordinate the range of compliance arrangements, with input from facilities managers where necessary.

Managing EPCs and DEC involves the following considerations:



## STEP 1: UNDERSTAND WHETHER AN EPC OR A DEC IS REQUIRED

Asset managers should seek competent advice to determine the extent to which EPCs and DEC apply to individual properties.



## STEP 2: CLARIFY RESPONSIBILITIES FOR EPCS AND DECS

Asset managers should clarify responsibilities for instructing and maintaining EPCs and DEC and formalise the agreement with the property manager. Where relevant, a property manager should contract delegated tasks with facilities managers.



## STEP 3: IDENTIFY A REGISTERED EPC OR DEC ASSESSOR

Only registered assessors can be used to produce and register a DEC or EPC and the relevant Advisory or Recommendation Reports.

Property or facilities managers should consult the Register of Commercial Energy Assessors to source and select a registered assessor:

- England and Wales, Northern Ireland: <https://www.gov.uk/find-an-energy-assessor>
- Scotland: <https://www.scottishepcregister.org.uk/assessorsearch>



## STEP 4A: COLLATE THE INFORMATION REQUIRED FOR AN EPC

The information required for an EPC could include:

- Dimensions of the building/relevant space.
- Floor plans if available.
- Age of the building.
- Any available details on the specification of the insulation, lighting and HVAC system.

It is important to provide as much information to the assessor as possible, if they are unable to obtain the information either from the building team or from their site inspection, they will have to rely on assumptions which generally reflect the worst-case scenarios.

## STEP 4B: COLLATE THE INFORMATION REQUIRED FOR A DEC

A property or facilities manager should collate information to enable the assessor to calculate the property's carbon dioxide emissions.

### Information which may be useful for an assessor:

- Dimensions of the building/relevant space.
- Details of any longer than normal hours of occupation.
- Energy meter readings or consignment.
- Fuels include gas fuels, oil fuels, solid fuels, district heating and cooling, grid electricity and electricity generated on site or obtained by private distribution systems for other sites.

For district heating and cooling and electricity generated on site, or obtained by private distribution systems from other sites, the average carbon factor for the fuel over the accounting period will need to be obtained. This may include, for example, kg of carbon dioxide per kWh delivered.

## STEP 5: HOST SITE VISIT BY ASSESSOR

The property or facilities manager should arrange and host a site visit for the assessor to inspect the property or unit.

For a DEC for subsequent years, up to the expiry of the report (usually seven years), the advisory report can be based on previous knowledge of the building provided that:

- They are being produced by the same assessor. and
- A declaration that nothing has changed has been provided by the building occupant.

## STEP 6: PREPARATION AND REGISTRATION OF EITHER THE DEC AND ADVISORY REPORT OR THE EPC AND RECOMMENDATION REPORT

The registered assessor will prepare the DEC or EPC and lodge them on the national register. Once registered the assessor will issue a copy of the documents to the property or facilities manager.

## STEP 6: DISPLAY AND RETENTION OF DEC AND ADVISORY REPORT

The property or facilities manager should display the DEC in a prominent position within the building, visible to the general public.

The original documentation should be stored safely and securely in accordance with the property or facilities manager's document control arrangements.

## MINIMUM ENERGY EFFICIENCY STANDARDS (MEES)

MEES were introduced by the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015.

These regulations introduced a minimum required EPC rating of an E for rented property in England and Wales. This minimum standard was introduced in two stages:

- From 1st April 2018: Applied to any new leases. Meaning that landlords could not grant new leases, or renew existing leases, on properties that had an EPC rating of F or G.
- From 1st April 2023: Extended to existing leases. Meaning that landlords must not continue to let buildings with EPC ratings of less than an E.

Certain buildings are outside the scope of MEES:

- Buildings which do not require an EPC.
- Buildings where the EPC is expired, or where there is no EPC.
- Tenancies of less than 6 months.
- Tenancies of over 99 years.

There are a number of exemptions from MEES:

- Seven-Year Payback: all of the improvements that could have been made to a property that have a payback period within seven years have been made, but the property still does not achieve the minimum EPC rating of E.
- All Improvements Made: all relevant recommended improvements have been made and the property still does not achieve a minimum of an E rating.
- Devaluation: An independent surveyor determines that the required energy efficiency improvements are likely to reduce the market value of the property by more than 5%.
- Third Party Consent: Consent is required from a third party (tenants, superior landlord, planning authority, etc.) and that consent has been refused.

Exemptions are valid for 5 years, and are not transferrable to a new landlord. All exemptions must be registered on the PRS Exemptions Register.

### Similar regulations in Scotland

Whilst MEES do not apply to Scotland, there are similar regulations concerning EPCs.

The Climate Change Act Scotland 2009 (section 63) from September 2016 introduced increased energy efficiency requirements on buildings in excess of 1,000 sq m.

Section 63 states that if a building of 1,000 sq.m or more is found not to meet or exceed the energy standards of the 2002 Scottish building regulations, then the owner of the building must undertake a further assessment to produce an 'Action Plan'. The building owner then has 42 months to implement the action points so that the building becomes S.63 compliant.

Alternatively, the property owner can defer the Action Plan measures by carrying out a DEC on an annual basis.

The requirements under Section 63 are triggered by the sale or lease of a property

Buildings outside the scope of Section 63:

- Buildings with a floor area of 1,000 sq m or less.
- Properties that have met or exceeded the equivalent energy standards of the 2002 building regulations.
- Short leases of 12 weeks or less.
- The renewal of an existing lease with the same tenant.
- The sale or lease of a building before construction has been completed.
- Temporary buildings- with an intended life of two years or less.
- Workshops and agricultural buildings with a low energy demand.
- Buildings participating in the green deal scheme.
- Prisons and young offender institutions.

If the property owner fails to produce a MEES Action Plan, or to carry out the recommended improvement measures within the 42 months, then the local authority can impose a fine of £1,000 for each breach (as of March 2021).