



Working to ensure the accuracy of SAP Energy Ratings
and CO₂ emission rate calculations

RESPONSE STATEMENT

12 September 2007

FAERO CLOSES FOR BUSINESS

Responding to recent misleading press reports following the closure of Faero Ltd, Linn Rafferty, Faero's chief executive said today:

"Faero is not the first business to be affected by changes in Government thinking and we probably won't be the last.

"We were originally conceived – with the encouragement of the Government – as an industry-funded, not-for-profit regulator. We were asked to establish clear technical standards and rules to ensure the competence of energy assessors and the accuracy of energy ratings in the new build sector.

"The first step for Faero was to establish a Competent Persons scheme for emission rate calculations under the Building Regulations.

"After a considerable struggle to resolve issues between Defra and DCLG (now CLG), the Faero Competent Persons scheme was finally launched in April this year. Since then, we had been progressing well, with six major organisations that had either become, or were in the process of becoming, members.

"The expectation was that this scheme would become the basis for the regulation of all individuals wishing to issue Energy Performance Certificates (EPCs) for new homes.

"But the goal posts moved this summer. Instead of supporting the framework we had established, the Government chose instead to approve and monitor individual accreditation schemes itself.

"We have no argument with the concept of accreditation schemes – indeed that is what Faero members were intended to be. But when the Government decided that it would regulate the schemes itself, this left Faero members at an impossible disadvantage.

"We felt it was crucial that we should cease operations immediately in order to avoid wasting our members' money, and to allow them to seek accreditation directly.

"Frankly, I have doubts that the Government has the expertise or resource to ensure that accreditation schemes work to consistent quality standards. And if the accuracy of EPCs ever starts being compromised, this will be hugely damaging to the industry and to consumer confidence.

"You also have to ask whether it is appropriate or sustainable for the cost of this regulation to be met by the tax payer.

"Now that Faero is no longer operational, the effective regulation of Energy Performance Certificates will depend directly on CLG's officials. They will have the unenviable task of trying to ensure consistency of quality across all the different schemes.

“Building Control authorities and housebuilders will need to make a judgement on which energy ratings for new homes they feel are most reliable.”

ENDS

Faero has ceased trading and nobody is available for further comment.

The legal Notification of ceasing to trade can be seen at www.faero.co.uk

In case of media queries, please email: faero@lizmale.co.uk or tel. 01908 551976

Notes

1. Faero Ltd was established in 2006 by the leading energy rating organisations in the UK, National Energy Services and Elmhurst Energy Systems, following numerous discussions with Government.
2. Faero Ltd is constituted as a not-for-profit organisation, with all member companies entitled to nominate a Director to sit on its Board. It was created as an entirely industry-led and industry-funded operation to ensure quality standards.
3. Richard Theobalds was appointed as Company Secretary and non-executive Chairman of Faero because of his specialist knowledge of the sector. He had no shareholding in the business.
4. The Faero Ltd Competent Persons scheme was formally recognised and designated in Approved Document L1A as the relevant scheme for the energy rating of new dwellings. This meant that Building Control authorities would be able to accept such energy ratings (done by a Competent Person) without the need for further checks.
5. Faero had no involvement in the training, assessment or regulation of Home Inspectors or Energy Assessors for the existing homes market.