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23 September 2008

Rating Policy Division  
Department of Finance and Personnel  
Room D12 Rathgael House  
Balloo Road  
BANGOR  
BT19 7NA

Dear Sir/Madam,

**Re: Review of Domestic Rating – Green Rebates Public Consultation**

### **Introduction**

The Royal Institution of Chartered Surveyors (RICS) Northern Ireland is the principal body representing professionals employed in the land, property and construction sectors and represents some 3,000 members. Our members practice in land, property, construction and related environmental matters and are employed in private practice, in central, regional and local government, in public agencies, in academic institutions, in business organisations and in non-governmental organisations.

As part of its Royal charter, the Institution has a commitment to provide advice to the Government of the day and, in doing so, has an obligation to bear in mind the public interest as well as the development of the profession. RICS Northern Ireland is therefore in a unique position to provide a balanced, apolitical perspective on issues of importance to the land, property and construction sectors.

The Royal Institution of Chartered Surveyors is pleased to have participated in the stakeholder meetings held in advance of the publication of the Green Rebates consultation and similarly is pleased to have the opportunity to comment on the Department's proposals.

### **General Comments**

It is widely acknowledged that Northern Ireland is a highly energy inefficient society which causes both significant economic and environmental consequences. A fundamental change is required to improve energy efficiency and reduce our reliance on imported energy supplies in order to reduce levels of fuel poverty, increase business competitiveness and reduce our carbon footprint. RICS Northern Ireland

support initiatives that will reduce carbon emissions in order to achieve the stated carbon reduction target of 25% by 2025 noted in the Programme for Government and therefore welcome in principal the decision to introduce rebates for greater energy efficiency and homes that are zero carbon rated. Our recent manifesto *Shaping Northern Ireland's Future*<sup>1</sup> demonstrates our commitment to sustainability and developing a low carbon built environment. In the Manifesto RICS "*urged the Executive to take urgent measures to improve energy efficiency and create a more secure energy supply. Important steps like the introduction of Energy Performance Certificates have been taken, but much more needs to be done.*"

RICS Northern Ireland considers that adopting an holistic approach to reducing carbon emissions is essential. There is an onus on all government departments and bodies to develop policies including transport and other service provision ensure the development of sustainable communities.

### **Energy Efficient Homes**

RICS Northern Ireland generally welcomes the proposal to provide a rates rebate for households that carry out energy efficiency improvements to their properties.

However, from the outset, RICS Northern Ireland would like to express concern that the proposal to introduce rebates for improved domestic energy efficiency relies heavily on programmes funded by the Energy Efficiency Levy. RICS is aware that the Utility Regulator is currently conducting the Northern Ireland Energy Efficiency Levy Strategic and Operational Review which is not due to close until 24<sup>th</sup> October 2008. Until the consultation closes it is unclear whether the Energy Efficiency Levy will continue to operate in its current form and therefore greater clarity is required regarding the future of the rebates should this funding source cease to exist.

RICS agrees that a proposal to introduce a higher level of rebate than is currently awarded in terms of the cash-back scheme is certainly an incentive to encourage greater energy efficiency in households. We have concerns that if the additional resources required to fund this proposal are taken from the rating pot, this may have a detrimental impact on other rate-paying households in the form of higher rates. RICS Northern Ireland would like assurances that other households will not be penalised by opting not to partake of this scheme.

RICS further notes that at present there is an annual limit on the number of households that can apply for the cash-back scheme. RICS notes that the aim of the proposal is to reduce carbon emissions through greater energy efficiency and if this is to have a positive impact greater numbers of households should be able to avail of the scheme. RICS would welcome greater clarity about resources dedicated to the scheme.

### **Zero Carbon Homes**

RICS support the proposal to grant an initial exemption or "a payment holiday" for up to five years, to the first residents of new homes that are zero carbon rated. However we would like greater clarity about the "Definition of Zero Carbon" because currently it is extremely difficult to achieve present criteria. RICS agrees that this measure should be extended to residents as opposed to first purchaser so that self builds and buy to lets are included. RICS would urge the Department to consider other

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<sup>1</sup> <http://www.rics.org/NR/rdonlyres/9B3EF410-F939-409F-9556-CA4256671A09/0/RICSNorthernIrelandManifesto.pdf>

purchasers and residents within the five year period to ensure that highly energy efficient homes are more attractive to purchasers and residents.

RICS believes that the introduction of 'tapers' (i.e. where a home does not fully meet the definition of a zero carbon home but nevertheless has a high energy performance rating then gets a reduced payment holiday) should be offered on a sliding scale dependent on the level of energy performance. Such a measure would encourage greater uptake of homes that have a high energy performance rating and in the absence of a definition of zero carbon homes may be a necessary measure should the definition be too stringent.

If you require any clarification of any of the points raised or require further information, please contact Nuala O'Neill (e) [noneill@rics.org](mailto:noneill@rics.org) or (t) 028 9032 2877.

Yours faithfully

Nuala O'Neill  
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RICS Northern Ireland