

The Green Deal - Conveyancer Toolkit

What is it? | How does it work? | Dealing with a Green Deal Property

The EPC reveals if there is a Green Deal on the property

If a property has a Green Deal this will be shown at the bottom of the **front page** of the EPC for the property.

Further details of the Plan will be shown on the **last page** of the EPC.

SEE THE EXAMPLE ATTACHED WHERE THE RELEVANT PARAGRAPHS ARE INDICATED

An EPC should be provided as part of the Estate Agent's sales particulars for the property.

Acting for a seller you must make sure that the EPC is disclosed to the buyer as early as possible, and in any event, before exchange of contracts

The EPC will show the current repayment charge amount per day, the fixed interest rate, when the loan will be repaid, what the improvements were, and how much they should reduce energy bills each year.

It will also reveal the Green Deal Plan number and the contact details for the Green Deal Provider.



What is the Green Deal?

The Green Deal is a Government scheme to allow energy improvements to be made to houses without any upfront costs.

Under the scheme, first of all a Green Deal Assessor will assess what energy savings are possible - ranging from installing energy efficient light bulbs, or loft insulation, to installing solar panels.

A Green Deal plan will then be put together, whereby the energy saving works will be provided by a Green Deal Provider, which will be financed by a Green Deal Finance Company.

Once the works have been completed, the repayments of the loan for the works are repaid through the electricity bill for the property. The electricity provider adds an amount to each electricity bill, as set out in the 'Green Deal Plan' for the property.

'The Golden Rule'

In the first year, the repayments cannot exceed the energy savings, so that in effect the energy saving measures should pay for themselves. It is also a principle of the Green Deal that the loan repayment period cannot exceed the energy savings period.

In theory, the savings in energy costs should pay for the cost of repaying the loan. However, after the first year there is no guarantee that the cost of the repaying the loan for the energy savings measures will not exceed the annual energy costs savings.

Buying or selling a 'Green Deal' property

The '**Green Deal - Client Guide**' contains suggested advice for clients, emphasising that they must satisfy themselves that they are happy to buy the property subject to the Green Deal. It makes it clear that conveyancers cannot advise on the Green Deal.

Selling a Green Deal Property

1. Ensure the buyer has been provided with a copy of the EPC.
2. Check that the EPC has not expired (shown on its back page)
3. Identify whether the Green Deal can be repaid early and tell the seller (in case a buyer insists on it being repaid).
3. Add the appropriate acknowledgement paragraph to your sale contract or in a separate document. **If the acknowledgement is part of your sale contract the Regulations require that it 'is in a prominent position in that document'. If it is in a separate note it will need to be signed and dated.**





Further advice and information

If your clients have any queries about the Green Deal, or need advice, they should contact the Energy Savings Trust Advice Line on 0300 123 1234, or visit their website at:

www.energysavingstrust.org.uk

See also the GOV.UK site for the Green Deal at:

www.gov.uk/green-deal-energy-saving-measures

Attitude of lenders to The Green Deal

The loan is not secured on the property, but mortgage lenders will want to know if the property has a Green Deal.

Lenders' attitudes vary, and it may affect their decision to offer a mortgage on the property, or the terms of their mortgage offer.

The CML resource is in the online CML Handbook as answers to Question 5.20.4.

The answer contains a schedule of lenders' information requirements in relation to Green Deal properties. Most lenders require certain information to be provided to them, and some warn not to proceed to exchange of contracts until the lender has confirmed that they are prepared to accept the position.

If the Green Deal is not to be repaid, there are two alternative clauses that need to be added to the contract as set out in the The Green Deal (Acknowledgement) Regulations 2012 SI 1661.

Although they are very similar, one is required to have certain Notes included, and the other does not have the Notes.

If the Green Deal can be repaid early the clause required is:

[I/we], [insert name and address of person(s) giving acknowledgement unless this information is clear from the document in which the acknowledgement is given] acknowledge that:

(a) a Green Deal plan dated [Insert date of plan] (reference number: [Insert reference number]) has been entered into for [describe the property] ("the property"); and

(b) for such time as [I am/we are] the bill payer(s) at the property [see Note 1 below], [I/we] will:

(i) be liable to make payments under the Green Deal plan; and

(ii) have to comply with the terms of the Green Deal plan which apply to (a) bill payer(s) at the property.

[I/we] further acknowledge that, when [I/we] have ceased to be the bill payer(s) at the property, [I/we] will continue to be bound by the term(s) of the Green Deal plan which enable the the Green Deal provider to require early repayment of the amount outstanding under the Green Deal plan. [See Note 2]

Note 1 - A person is a bill payer if that person is:

(a) liable to pay the electricity bill at the property; or

(b) made the bill payer under regulation 6 of the Green Deal Framework (Disclosure, Acknowledgement, Redress, etc.) Regulations 2012. That regulation applies where no electricity is supplied to the property, and to certain tenants and those who are entitled to sell the property.

Note 2 - See regulation 38 of the Green Deal Framework (Disclosure, Acknowledgement, Redress, etc.) Regulations 2012. for the circumstances where a Green Deal plan may allow a green deal provider to require early repayment of credit, including from a person who used to be a bill payer at the property

Signed

Dated



What is the effect of the Government removing funding for the Green Deal?

In July 2015 the Government decided to stop funding the Green Deal Finance Company.

The GOV.UK Green Deal web page states that consumers who have already have a Green Deal plan will not be affected, as the Green Deal Provider will still be responsible for any warranties or maintenance specified in any contract with them.

Maintenance and warranties issues?

You need to make it clear to clients that you cannot advise on such matters, and that they must satisfy themselves, by looking at the terms of the Green Deal plan and getting advice - either from a surveyor, Green Deal adviser or other expert.

Business properties?

The Green Deal can be used for commercial or rented residential properties, and the 'bill payer' may not be the owner. Specific advice may be needed to deal with these situations.



If the Green Deal is not repayable early the clause required is:

[I/we], [insert name and address of person(s) giving acknowledgement unless this information is clear from the document in which the acknowledgement is given] acknowledge that:

(a) a Green Deal plan dated [Insert date of plan] (reference number: [Insert reference number]) has been entered into for [describe the property] ("the property"): and

(b) for such time as [I am/we are] the bill payer(s) at the property, [I/we] will:

(i) be liable to make payments under the Green Deal plan; and

(ii) have to comply with the terms of the Green Deal plan which apply to (a) bill payer(s) at the property.

[I/we] further acknowledge that, when [I/we] have ceased to be the bill payer(s) at the property, [I/we] will continue to be bound by the term(s) of the Green Deal plan which enable the the Green Deal provider to require early repayment of the amount outstanding under the Green Deal plan.

Signed

Dated

Buying a Green Deal Property

Firstly it is vital to check that the lender will be prepared to accept the property with a Green Deal, before proceeding to exchange of contracts. It is the client's decision whether to proceed and accept the Green Deal, or whether to ask the seller to repay the Green Deal as a condition of the purchase (if the sellers are able to).

Not all Green Deal plans can be repaid early, and those that can may be subject to additional charges if repaid early. This will be for the parties to negotiate between themselves.

You should ensure that the buyers have obtained a copy of the Green Deal plan, that they understand that they will be liable to make the payments as part of the electricity bill for the property, and could be liable to repay the whole cost of the loan.

Most of the improvements will have required planning permission and building regulations, and this must be checked. If buying a leasehold property, also check that the landlord's consent has been obtained where necessary.



Energy Performance Certificate



Dwelling type: Mid-terrace house
Date of assessment: 30 October 2014
Date of certificate: 30 October 2014

Reference number: [REDACTED]
Type of assessment: RdSAP, existing dwelling
Total floor area: 97 m²

Use this document to:

- Compare current ratings of properties to see which properties are more energy efficient
- Find out how you can save energy and money by installing improvement measures

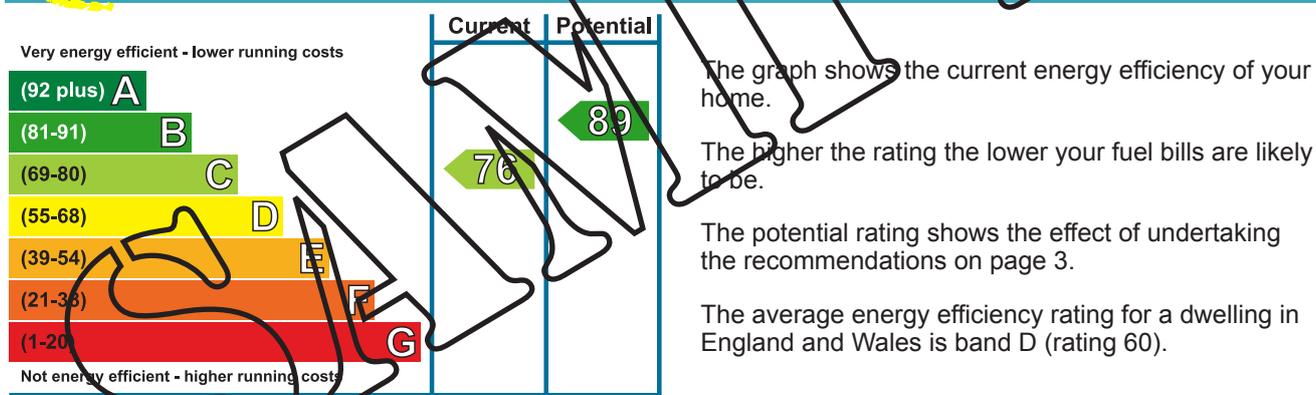
Estimated energy costs of dwelling for 3 years:	£ 1,953
Over 3 years you could save	£ 309

Estimated energy costs of this home

	Current costs	Potential costs	Potential future savings
Lighting	£ 300 over 3 years	£ 174 over 3 years	
Heating	£ 1,338 over 3 years	£ 1,242 over 3 years	
Hot Water	£ 315 over 3 years	£ 228 over 3 years	
Totals	£ 1,953	£ 1,644	

These figures show how much the average household would spend in this property for heating, lighting and hot water. This excludes energy use for running appliances like TVs, computers and cookers, and any electricity generated by microgeneration.

Energy Efficiency Rating



Top actions you can take to save money and make your home more efficient

Recommended measure	Indicative cost	Typical savings over 3 years	Available with Green Deal
1 Floor Insulation	£800 - £1,200	£ 111	✓
2 Low energy lighting for all fixed outlets	£40	£ 108	✓
3 Solar water heating	£4,000 - £6,000	£ 90	✓

See page 3 for a full list of recommendations for this property.

A Green Deal Plan has paid to install energy efficiency improvements at this property. A daily Green Deal charge is payable via the electricity bill. Important details about the Green Deal on this property, including the amount of the charge, can be found in the "Information about the Green Deal" section at the end of this EPC.



Summary of this home's energy performance related features

Element	Description	Energy Efficiency
Walls	Cavity wall, filled cavity	★★★★☆
Roof	Pitched, 200 mm loft insulation	★★★★☆
Floor	Solid, no insulation (assumed)	—
Windows	Fully double glazed	★★★★☆
Main heating	Boiler and radiators, mains gas	★★★★☆
Main heating controls	Programmer, room thermostat and TRVs	★★★★☆
Secondary heating	None	—
Hot water	From main system	★★★★☆
Lighting	Low energy lighting in 27% of fixed outlets	★★★☆☆

Current primary energy use per square metre of floor area: 134 kWh/m² per year

The assessment does not take into consideration the physical condition of any element. 'Assumed' means that the insulation could not be inspected and an assumption has been made in the methodology based on age and type of construction.

Low and zero carbon energy sources

Low and zero carbon energy sources are sources of energy that release either very little or no carbon dioxide into the atmosphere when they are used. Installing these sources may help reduce energy bills as well as cutting carbon. There are none provided for this home.

Opportunity to benefit from a Green Deal on this property

The Green Deal may enable owners and occupiers to make improvements to their property to make it more energy efficient. Under a Green Deal, the cost of the improvements is repaid over time via a credit agreement. Repayments are made through a charge added to the electricity bill for the property. To see which improvements are recommended for this property, please turn to page 3. You can choose which improvements you want to install and ask for a quote from an authorised Green Deal provider. They will organise installation by an authorised Green Deal installer. If you move home, the responsibility for paying the Green Deal charge under the credit agreement passes to the new electricity bill payer.

For householders in receipt of income-related benefits, additional help may be available.

To find out more, visit www.direct.gov.uk/savingenergy or call 0300 123 1234.

Authorised
home energy
assessment

Finance at
no upfront
cost

Choose from
authorised
installers

May be paid
from savings in
energy bills

Repayments
stay with the
electricity
bill payer



Recommendations

The measures below will improve the energy performance of your dwelling. The performance ratings after improvements listed below are cumulative; that is, they assume the improvements have been installed in the order that they appear in the table. Further information about the recommended measures and other simple actions you could take today to save money is available at www.direct.gov.uk/savingenergy. Before installing measures, you should make sure you have secured the appropriate permissions, where necessary. Such permissions might include permission from your landlord (if you are a tenant) or approval under Building Regulations for certain types of work.

Measures with a green tick  are likely to be fully financed through the Green Deal since the cost of the measures should be covered by the energy they save. Additional support may be available for homes where solid wall insulation is recommended. If you want to take up measures with an orange tick , be aware you may need to contribute some payment up-front.

Recommended measures	Indicative cost	Typical savings per year	Rating after improvement	Green Deal finance
Floor Insulation	£800 - £1,200	£ 37	 C78	
Low energy lighting for all fixed outlets	£40	£ 36	 C79	
Solar water heating	£4,000 - £6,000	£ 30	 C80	
Solar photovoltaic panels, 2.5 kWp	£6,000 - £14,000	£ 233	 B89	

SAMPLE

About this document

The Energy Performance Certificate for this dwelling was produced following an energy assessment undertaken by a qualified assessor, accredited by Elmhurst Energy Systems Ltd. You can get contact details of the accreditation scheme at www.elmhurstenergy.co.uk, together with details of their procedures for confirming authenticity of a certificate and for making a complaint. A copy of this EPC has been lodged on a national register. It will be publicly available and some of the underlying data may be shared with others for compliance and marketing of relevant energy efficiency information. The Government may use some of this data for research or statistical purposes. Green Deal financial details that are obtained by the Government for these purposes will not be disclosed to non-authorised recipients. The current property owner and/or tenant may opt out of having their information shared for marketing purposes.

Assessor's accreditation number: [REDACTED]

Assessor's name: [REDACTED]

Phone number: [REDACTED]

E-mail address: [REDACTED]

Related party disclosure:

No related party

Further information about Energy Performance Certificates can be found under Frequently Asked Questions at www.epcregister.com.

About the impact of buildings on the environment

One of the biggest contributors to global warming is carbon dioxide. The energy we use for heating, lighting and power in homes produces over a quarter of the UK's carbon dioxide emissions.

The average household causes about 6 tonnes of carbon dioxide every year. Based on this assessment, your home currently produces approximately 2.5 tonnes of carbon dioxide every year. Adopting the recommendations in this report can reduce emissions and protect the environment. If you were to install these recommendations you could reduce this amount by 1.3 tonnes per year. You could reduce emissions even more by switching to renewable energy sources.

The environmental impact rating is a measure of a home's impact on the environment in terms of carbon dioxide (CO₂) emissions. The higher the rating the less impact it has on the environment.

Current rating **77**

G (1-20) **F (21-38)** **E (39-54)** **D (55-68)** **C (69-80)** **B (81-91)** **A (92 plus)**

Higher CO₂ emissions

Lower CO₂ emissions

Potential rating **90**

Your home's heat demand

For most homes, the vast majority of energy costs derive from heating the home. Where applicable, this table shows the energy that could be saved in this property by insulating the loft and walls, based on typical energy use (shown within brackets as it is a reduction in energy use).

Heat demand	Existing dwelling	Impact of loft insulation	Impact of cavity wall insulation	Impact of solid wall insulation
Space heating (kWh per year)	6,840	N/A	N/A	N/A
Water heating (kWh per year)	2,225			

Information about the Green Deal Plan relating to this property

Energy Performance Certificate

A Green Deal Plan has paid to install energy efficiency improvements at this property. If you become responsible for paying the electricity bill, you will be required to pay the Green Deal charge set out below. Also, you must comply with the terms and conditions in the Green Deal Plan. You should ask for a copy of the up to date Green Deal Plan from the owner of the property or the landlord and familiarise yourself with the contents.

The Green Deal can be paid off early, although charges may apply. The Green Deal is a new type of unsecured loan, which is regulated by the Consumer Credit Act 1974. It is designed to save you as much money as you will have to repay. However, the actual level of your savings will depend on how much energy you use (e.g. to heat your property) and on energy prices.

Current charge amount: £0.89 per day (£325 p.a.)
Charges start: 7/01/2015
Charges end: 16/10/2037
Interest rate payable: fixed at 8.20% APR

Plan charges:

- are payable as part of the electricity bill
- reduce as each improvement is paid-off

GD Plan number: [REDACTED]
Green Deal Provider: [REDACTED]

Tel: [REDACTED]

Email: [REDACTED]

- This EPC can be used to disclose the GD until 3/02/2016.
- From 4/02/2016 a further version should be retrieved from www.epcregister.com using the EPC Report Reference Number (RRN above).

Improvements installed

Solar photovoltaic panels (3.5 kWp, South): Emlite

Paid-off

Jul 2037

Estimates of how these improvements could reduce annual energy bills for a typical user

Total: £335 p.a. Electricity: £335 p.a.

Most improvements reduce the energy used for heating. These estimates are based on:

- the original Green Deal assessment;
- the improvements installed by this Plan (opposite);
- typical energy use for this type of property, using current energy prices.

If you are a low user of energy you may not achieve these estimated savings.

Other important information

This Green Deal is regulated by the Consumer Credit Act 1974. This provides certain protections to those paying the Plan instalments through their electricity bill.

The improvements listed above were installed under this Green Deal Plan and are due to be paid-off at the times specified. If an improvement listed above has not been paid off, you should check that:

- it is still in place;
- no alterations have been made to this property that would reduce its effectiveness;
- it has been maintained in line with guidance from the Green Deal Provider.

If, after taking-on this property, you are considering or carrying out renovations that may impact on the improvements installed under this plan, or you notice that such changes have already been made, you must contact your Green Deal Provider.

Mandatory product guarantees are supplied for at least five years. These may be subject to maintenance or servicing requirements and you should check these have been met.

Charges may apply if you decide to repay this Green Deal Plan early and these details are set out in the Plan.

If you take on this property, you may have to repay this Plan early if you want to demolish this property or permanently disconnect the electricity meter – contact your Green Deal Provider for further details.

New bill payers are advised to contact their energy supplier when they take on a Green Deal property, particularly if the property has a pre-payment meter.

Further information can be found on the Green Deal Plan, a copy of which can be obtained from the owner of the property, or from the Green Deal Provider with the owner's consent.

