### National Energy Action (NEA) response to Improving the Energy Performance of Privately Rented Homes in England and Wales



#### **About National Energy Action (NEA)**

NEA<sup>i</sup> works across England, Wales and Northern Ireland to ensure that everyone in the UK<sup>ii</sup> can afford to live in a warm, dry home. To achieve this, we aim to improve access to energy and debt advice, provide training, support energy efficiency policies, local projects and co-ordinate other related services which can help change lives.

#### Background to this response

Cold, damp and unsafe homes continue to cause shocking levels of unnecessary hardship and premature mortality. Across the UK, NEA estimates that on average more than 10,000 people die each year due to living in a cold home<sup>iii</sup>. In England Wales where the proposals within this consultation will apply, excess winter deaths have risen by nearly 20% last winter<sup>iv</sup>. The Office for National Statistics (ONS) estimate that that the biggest cause of death was respiratory disease, followed by circulatory health conditions. Both these conditions are badly exacerbated by living in cold homes which are hard to heat and around 30% of these deaths could have been prevented<sup>v</sup>. Our project "Under One Roof"<sup>vi</sup> identified some of the clear evidence which underlines these links, as seen in the table below.

	With each 1°C drop in temperature below 5°C, GP consultations for respiratory illness in older people increase by 20%. Hospital admissions for Chronic Obstructive Pulmonary Disease (COPD) are four times more likely to happen over the winter.
Respiratory disease	Homes which have damp or mould have been linked with a 30-50% increase in respiratory problems - with asthma sufferers two to three times more likely to live in a damp home than non-sufferers.
	Children living in cold homes are more than twice as likely to suffer from asthma or bronchitis as children that do not - those in damp and mouldy homes are three times more likely. They have a 32% greater risk of wheezing illness and 97% greater risk of suffering from breathing problems at night.
	It has been estimated that 9% of hypertension could be prevented by maintaining indoor temperatures above 18°C.
Cardiovascular disease	Increased plasma fibrinogen levels and factor VII clotting during winter account for a 15% and 10% rise in coronary heart disease, respectively.
	A 1°C drop in living room temperature can lead to a 1.3mm Hg rise in systolic blood pressure and a 0.6mmHg rise in diastolic blood pressure in people aged 65-74.

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#### Living in a cold home can lead to social isolation, stress and worry. NATCEN found that 10% of people suffering from a Common Mental Disorder (CMD) were not able to keep their homes warm enough during the winter and 15% reported mould in their homes - compared with 3% and 8% of people without CMD. Children living in poor quality cold housing are more like to suffer from Mental ill health mental ill health. It can impact upon child motivation, educational attainment and task persistence, as well as resulting in feelings of helplessness. NATCEN found that 28% of young people living in cold homes manifested multiple mental health risks, as opposed to 4% for those living in warm homes. Inadequately heated homes were independently shown to be the only housing quality indicator associated with 4 or more negative mental health outcomes in young people. Sickle Cell Disease (SCD) Comfortable temperatures for someone with SCD range from 20°C to 30°C, though those on low-incomes may struggle to afford to meet the cost of maintaining a healthy temperature at home. A hospital admission for SCD can cost £637- £11,367 a time, and some have argued that part or fully subsidising the heating bills of SCD sufferers would be more cost effective to the NHS. **Falls** Other health conditions Cold homes can be linked to the experience of aches, pains, underlying joint and muscular problems or skin conditions, or arthritic and rheumatic pain increasing the risk of falls and accidents amongst the elderly by reducing strength and dexterity. **Nutrition** Cutting back on food spending to meet the cost of paying for energy can lead to malnutrition, poor infant weight gain, and adverse impacts upon other health conditions such as tuberculosis (TB) or diabetes.

The alarming increase in Excess Winter Deaths last year was before the impact of Covid-19 struck. Covid-19 is likely to have left many households more exposed to the risks of living in a cold home than ever before<sup>vii</sup>. The number of needless deaths is the 'tip of the iceberg' and as well as the devastating impacts cold homes have on their occupant's lives, this problem extends to all of us; needless health & social care costs<sup>viii</sup>, queues at GPs and A&E as well as delaying the discharge of the most vulnerable patients from hospital<sup>ix</sup>. The resulting impact on health services costs the NHS between £1.4bn and £2bn every year, in England. The Public Health Wales report 'Making a Difference: Investing in Sustainable Health and Wellbeing for the People of Wales' highlighted that "Investing in insulation and heating to address cold and damp housing could save £859 million (assuming full coverage) at a cost of £251 million, resulting in return of £608 million to the NHS in England. This would translate to nearly £35 million annual savings for the NHS in Wales.

NEA believes dramatically improving domestic energy efficiency levels remains the most enduring solution to addressing energy affordability. Whilst other actions to boost incomes and tackle energy prices are still required, ensuring that privately rented homes meet an adequate level of energy efficiency is particularly important for reaching the fuel poverty target for all fuel poor homes to reach a level of EPC C by the end of 2030 in England<sup>x</sup>. In the private rented sector (PRS) in England<sup>xi</sup>:

- 33.6% of all fuel poor households are in PRS accommodation
- Housing is also more likely to have the lowest energy efficiency standards than socially rented accommodation
- Only 34% of PRS homes are rated at EPC C or above, compared to 60% for socially rented homes
- 213,000 homes are still in either band F or G, with energy bills likely to exceed £2,000, and fuel poor homes in the PRS pay on average £325 more than the average household for their energy

With this stark context in mind, it is timely that the UK Government has committed to publishing a new Fuel Poverty Strategy early next year. In Wales, the Welsh Government has also committed to developing a new Fuel Poverty Plan early next year. We welcome the opportunity for improvements to the PRS to be a key part of these strategic plans and for us to contribute to this consultation which proposes how the current Minimum Energy Efficiency Standards (MEES) regulations will be enhanced and extended. As noted further below, NEA warmly welcomes the main policy intent within this consultation and that the stretch proposal could help up to 960,000 low-income households within the PRS get up to a reasonable level of energy efficiency by the end of 2028. An improvement on this scale would be highly significant in achieving the overall fuel poverty target and can ensure private investment by landlords complements other recent policy commitments<sup>xii</sup>. NEA therefore urges the UK Government to be as ambitious as possible and respond to our key concerns and recommendations which we are detailed below and then summarised within the response to the consultation questions.

#### The targets and cost cap must be clear and show adequate ambition

The main proposal in this consultation is for landlords to ensure that their properties reach Energy Performance Certificate (EPC) band 'C' by 2028, by spending up to a total of £10,000 on energy efficiency measures. EPCs help tenants, landlords or homeowners find out how they can save energy and money by installing improvement measures. Whilst within the detail of our response we note some of the well-known issues within the current Standard Assessment Procedure (SAP) methodology that underpins EPC scoring<sup>xiii</sup>, EPCs are already in widespread use and are easy to understand for non-energy specialists. We therefore strongly feel this should be the key metric for the new policy. There should also be a fabric first approach embed within the final policy to ensure needless space heating demand is reduced as a priority. Without this, NEA is concerned that there will be a perverse incentive to install oversized low carbon heating technologies which would be more expensive for the occupants to run.

The impact assessment shows that reaching EPC band 'C' by 2028 will result in landlords paying, on average, £4,700 to upgrade their homes. This will result in 900,000 low-income households reaching EPC C by 2028. The impact assessment also considers the outcomes of a £15,000 cost cap. This will result in landlords paying on average marginally more per property (£600, or an overall average of £5,300 to upgrade their properties). This will result in an additional 60,000 households reaching EPC C by 2028 across England and Wales compared to the £10,000 cost cap. As noted above, the UK Government has a statutory target for all fuel poor homes in England to reach EPC C as far as is reasonably practicable. Only 11% of landlords are modelled to have to spend between £10k and £15k and therefore only a modest increase in average landlord spend between the two cost caps achieves the required energy efficiency standards within an additional 60,000 households. This therefore clearly a practicable policy option for the Government to take in order to reduce fuel poverty. In addition, the higher cost cap is not only the most effective policy option presented for reaching fuel poverty targets; both the equity rated, and non-equity rated net present value (NPV) of the higher cost cap option is by far the highest of the options presented. This is owed to increased comfort, energy savings and air quality in the homes. There is also a significant difference in carbon emissions between the £15,000 and £10,000 cost caps, with the higher cap resulting in 20% higher benefits in non-traded carbon. Given the significant benefits afforded by the higher cost cap, and the legal obligation for the Government to make sensible decisions for all fuel poor homes to reach EPC C by 2030, NEA strongly recommends that the Government commit to a £15,000 cost cap on the basis of EPC ratings in the final policy proposals.

NEA also believes that some types of landlord will be able to achieve the required EPC rating sooner than the proposed timeframe. For example, landlords of houses of multiple occupancy (HMOs) which provide professional or student lets. For professional lets, energy bills are often included within the letting contract and so the 'split incentive' barrier to upgrading energy efficiency that much of the policy intends to address is eliminated. For student lets, occupants tend to have a higher level of education and either have the knowledge required knowledge or ability to gain it, making it much easier to upgrade properties. Student lets often have longer and more consistent empty periods within which a property can be more easily upgraded. NEA therefore recommends that there is a faster timescale for HMOs to achieve EPC C than other properties, again up to a £15,000 cost cap.

#### Complementary policy is needed to ensure the worst affected households are upgraded

As noted above, the proposals, as set out in this consultation, would bring 900,000-960,000 low-income households up to a rating of EPC C by 2028. This would be a significant increase from the 560,000 lowincome households living in PRS accommodation who already meet EPC C. However, in isolation, this policy would leave 500,000 low-income households, in the private rented sector alone, in EPC D or below in 2028. According to the consultation, awareness of the MEES regulations in 2018 was low, at only 65%, and although 87% of landlords surveyed said they would comply with the amended regulations by improving their properties in the first phase of the evaluation of the policy, these numbers could be skewed by the probability that 'bad landlords' would be less likely to take part in such a survey. The surveys are based on landlords that use the Tenancy Deposit Protection scheme, which self-selects landlords with a compliance mindset. NEA is concerned that compliance with the current regulations is low, and that a higher cost cap could reduce compliance further. Without complementary policies designed to increase the energy efficiency of these properties, NEA is not satisfied that the Government would have taken the appropriate actions for all households to reach EPC C by 2030 "as far as reasonably practicable". NEA is also concerned that a high proportion of non-compliant landlords will have lower income tenants. It would be unacceptable for this outcome to be realised, with fuel poor households continuing to live in the lowest efficiency properties. In order to ensure that these outcomes do not come to fruition, **NEA recommends** that complementary policy is required in order to both incentivise landlords to comply with the new standards (while ensuring that residents are adequately protected) and help local authorities to enforce against non- compliance.

NEA has previously campaigned for the reinstatement of the Landlord Energy Saving Allowance (LESA), which introduced by the UK Government in Budget 2004, with the aim of encouraging landlords to improve the energy efficiency of let residential properties by providing a maximum tax allowance<sup>xiv</sup> of £1,500 per dwelling which landlords could claim against the costs of buying and installing cavity wall, loft, solid wall, floor and hot water system insulation and draught-proofing. It ended in April 2015 and while LESA had very low take-up, it could now be a very powerful incentive when combined with these new regulations and a higher tax relief threshold. Unlike relying on other energy saving schemes like ECO that are unpredictable to access, every landlord would qualify for LESA. LESA also has the key advantage that it explicitly leverages private sector finance in the form of landlord investment in their properties. **NEA therefore recommends the reintroduction of LESA, with a maximum tax allowance of £15,000 to incentivise landlords to comply**.

In addition to tax breaks, NEA notes that BEIS have shaped the Green Homes Grant so that it can be accessed by landlords to upgrade their properties. This should help drive up energy efficiency in the PRS and should also be a consideration in future schemes. However, if this approach were to be taken again, landlords should not be able to use grant funding to upgrade their properties, then increase rent prices, as assumed in the impact assessment. **NEA recommends that landlords should be able to access energy efficiency grant schemes or the re-introduced LESA to upgrade their properties, however, this should come with a condition of no rent increases for a minimum of three years.** This condition is already placed on landlords who access national grant schemes elsewhere in the UK nations.

#### Enforcement must be driven up

As stated above, compliance in the PRS under both MEES (and the Healthy Housing Safety Rating System, HHSRS) is estimated to be low and this is partially due to the lack of enforcement action taken by local authorities on landlords. An investigation by The I newspaper<sup>xv</sup> showed that "fewer than six per cent of borough and district councils across England and Wales have taken any enforcement action against landlords illegally letting out properties with the lowest energy efficiency ratings". As of April 2020, financial

penalties had only been given regarding 17 properties, and these fines totalled just £65,000. The investigation revealed that enforcement was a low priority for councils, with some saying that they were not proactively undertaking exercises in relation to the issue, and that it was a low priority.

NEA understands that BEIS is currently conducting enforcement pilots with several local authorities to investigate the best ways of enforcing and achieving better levels of compliance. NEA sees this work as vital and is incredibly disappointed at the lack of transparency of the interim findings, almost 6 months after reaching EPC E has become a legal requirement for landlords. Local authorities in our membership who are not part of the trial have not received any information about the findings and are struggling to enforce in their own areas. The findings would be invaluable, and **NEA recommends that BEIS share these as a matter of urgency.** 

An independent report<sup>xvi</sup> commissioned by the Committee on Fuel Poverty, said that landlord registration and licensing is "the most practical means of identifying landlords who currently lack an EPC on a proactive basis, rather than waiting for tenants to raise complaints". Whilst setting up such a scheme would require time and resource, local authority officers also felt strongly that this was something they would support being undertaken on a national basis, as this would allow people to spot national issues or landlords operating across multiple authority areas, rather than at the local level.

The report also signalled many possible gains from property registration and licensing that could help with improving the quality of the PRS in many areas, as well as the MEES, hence a strong appetite from local authorities and tenant groups to implement it. This is like the approach already taking place in Wales, where there is a national landlord database. In Wales, the immediate landlord of a rental property in Wales needs to complete a landlord registration and must do so themselves. A landlord registration involves providing landlord personal details, rental property addresses owned by that landlord, and the details of those responsible for the letting and/or management activities at the rental property. Such a registration scheme serves two purposes. It helps facilitate enforcement action from local authorities, who have access to significantly more data than in England. Secondly, it drives compliance focussed behaviour from landlords, who will become aware of the higher risk of enforcement action if they are registered. **NEA therefore recommends a more complete landlord registration scheme in England to help aid compliance.** Additionally, NEA recommends the following to drive compliance:

- Building capacity of local authority environmental health officers (EHO) to enforce HHSRS and ensure that the current updating of guidance from MHCLG is acted upon by local councils.
- Introduce a nation-wide mechanism that enables local authorities to specify how many improvement notices under HHSRS have been served to landlords for category one and two hazards and for what for reasons (e.g. excess cold).
- Consider a central resource for an 'EHO of last resort' which would act as a backstop for the enforcement of housing standards.
- Improve homes in multiple occupation (HMO) properties to the same national standards as the PRS.

#### **Key recommendations**

- Energy Performance Certificates (EPCs) help tenants, landlords or homeowners find out how they can save energy and money by installing improvement measures. They should be the key metric for the new policy.
- 2. There should be a fabric first approach embed within the final policy to ensure needless space heating demand is reduced
- 3. Commit to a £15,000 cost cap to help more fuel poor households to reach EPC C, while ensuring the best value policy option is taken forward. This will result in an additional 60,000 households reaching EPC C by 2028 across England and Wales compared to the £10,000 cost cap
- Implement a holistic landlord registration scheme in England, replicating what has already been achieved in Wales, and as the Committee on Fuel Poverty has recommended, to help aid compliance
- 5. Create a faster timescale for HMOs to achieve EPC C than other properties, as landlords for these properties face fewer barriers to upgrading their properties, again up to a £15,000 cost cap
- 6. Share the findings of the local authority PRS MEES enforcement pilots as a matter of urgency
- 7. Introduce complementary policy to both incentivise landlords to comply with the new standards while ensuring that residents are adequately protected, and help local authorities to enforce against non-compliance, including:
  - The reintroduction of the Landlord Energy Saving Allowance (LESA), with a maximum tax allowance of £15,000 to incentivise landlords to comply
  - 2. Landlords being be able to access energy efficiency grant schemes to upgrade their properties
- 8. Landlords who access LESA or national grant schemes should only be able to do so on condition of no rent increases for at least three years
- Building capacity of local authority environmental health officers (EHO) to enforce HHSRS and ensure that the current updating of guidance from MHCLG is acted upon by local councils.
- 10. Introduce a nation-wide mechanism that enables local authorities to specify how many improvement notices under HHSRS have been served to landlords for category one and two hazards and for what for reasons (e.g. excess cold).

#### Response to this consultation

Question 1: We would welcome views on possible impacts of the policy on the size of the PRS sector, the effect this could have on vulnerable households, and suggestions to mitigate this effect where it does occur, including any evidence.

NEA accepts that there may be an impact on landlords who wish to exit the market or potentially increasing rents, however, we do not believe that this will have a material impact on vulnerable households in the long term. The private rented sector is home to many vulnerable households who often live in the worst housing conditions, therefore increasing energy efficiency standard is likely to benefit these groups overall.

If landlords raise rents unfairly, this can be challenged via existing mechanisms. If they exit the PRS sector, then properties would likely become either owner occupied or socially rented. Homes in both of these tenures are required to be upgraded in order to meet the fuel poverty target, and there are mechanisms in place (or due to be in place) by which to do this, through either grant funding (as in through ECO), or the Decent Home Standard<sup>xvii</sup> for social landlords. If there is adequate policy in these areas to upgrade homes, then changes in tenure are likely to be modest. Our proposals below to improve landlord compliance through introducing incentives to reach and go beyond EPC Band C would also help to mitigate these risks. Our proposed incentives are:

- The reintroduction of LESA, with a maximum tax allowance up to the cost cap to incentivise landlords to comply
- Giving landlords access to energy efficiency grant schemes to upgrade their properties with certain conditions such as an affordability criteria

Landlords would only be able to access these energy efficiency grant schemes to upgrade their properties with the condition of no rent increases for a minimum of three years.

Housing and homelessness charity Shelter's report 'Safe and Decent Homes' demonstrates that there are a number of wider factors contributing to ongoing poor conditions in the private rented sector. Shelter identified five root causes of poor conditions:

- 1. Demand outstrips supply, leading to renters being unable to negotiate better conditions
- 2. Landlords have few incentives to invest in repairs and maintenance, despite having the cash to do so
- 3. Landlords tend to be amateur or accidental, with little understanding of their responsibilities
- 4. Local authorities lack information on landlords and private rented stock
- 5. Local authorities often lack the resources to enforce their legal duties and powers

Again, NEA believes, addressing these challenges in turn, alongside the reforms in this consultation and further protections for retaliatory eviction can offset negative impacts.

## Question 3: We would welcome views on any possible long-term impacts of COVID-19 that could impact on making the required energy efficiency improvements from April 2025 and suggestions to mitigate this effect where it does occur, including any evidence.

The impact of the pandemic on households has been severe, increasing the number of households that struggle to afford to keep their homes warm, as it has led to both reduced incomes and increased energy usage. This has led to increased utility debt. In August, Citizens Advice estimated that 2.8 million UK adults had fallen behind on their energy bills. \*\*xiiiii This increased debt has a profound impact on householders, and in our survey of organisations work to support fuel poor households, three quarters \*\*xiiiiii said there was a high risk of the increased build up of fuel debt, as a direct result of the pandemic. Additionally, it has been found that more than half (54 per cent) of adults in families from the lowest income quintile have borrowed more in recent months simply to cover everyday costs such as housing and food.\*\*x The number of those affected who have fallen into arrears or borrowed to make ends meet has increased from 4.6 to 5.6 million. Stepchange estimate that the amount of arrears and borrowing among this group attributable to the impact of COVID-19 is now £10.3 billion.\*\*xii

Additional to the debt impacts of the pandemic, Public Health England have also shown the links between fuel poverty and COVID-19. They said that a potential interaction between COVID-19 and fuel poverty was increased exposure to cold temperatures due to change in patterns of energy use at home, fuel poverty and reduced access to warm public spaces<sup>xxii</sup>.

All of this accentuates the need for speedy improvements in the PRS, and there should be no delay in landlords getting their properties to reasonable levels of energy efficiency.

## Question 4: Do you agree with the government's preferred new target of EER C as a minimum energy performance standard in the PRS?

Yes, NEA agrees with the preferred target of EER C as a minimum energy performance standard in the PRS. In 2015, the UK Government published its Fuel Poverty Strategy for England which set the fuel poverty targets<sup>xxiii</sup> based on energy efficiency. These targets were restated over three years ago in the 2017 Clean Growth Strategy<sup>xxiv</sup>, which is a pillar of the government's commitment to reaching its legally binding climate targets. The CGS included three key policies that help to meet the statutory target of all fuel poor households reaching EPC C by 2030:

- 1. Extending the Energy Company Obligation (ECO) until 2028 at the current level of ECO funding.
- 2. Develop a long-term trajectory to improve the energy performance standards of privately rented homes, with the aim of upgrading as many as possible to EPC Band C by 2030 where practical, cost-effective, and affordable.
- 3. Consult on how social housing can meet similar standards over this period.

Subsequently the new 'Ten Point Plan for a Green Industrial Revolution' has solidified these policies, with the blueprint for greener buildings including "strengthening energy efficiency requirements for private sector landlords" and extending the Energy Company Obligation to 2026. It also committed to two new mechanisms for upgrading homes through a Home Upgrades Grant and Social Housing Decarbonisation Scheme. The social housing white paper\*\* sets out that they will consult on increasing standards in the social rented sector. In order to meet the statutory fuel poverty target, the aims of the Clean Growth Strategy and to deliver on the 10-point plan, it is crucial that the Government takes forward this third pillar on PRS, and that the target for energy efficiency is EPC C.

# Question 5: We would welcome your views on the pros and cons of these alternative metrics, in relation to our overall policy goals around reducing carbon emissions, fuel poverty, and energy bills; please provide evidence with your answer.

NEA believes that EPC ratings continue to be the best option for target setting, and measurement of energy efficiency progress in the PRS.

The priority in improving the energy efficiency of privately rented homes is to reduce costs for households in order to alleviate fuel poverty. High energy costs in the PRS is acute. 17.7% of homes are fuel poor, and 33.6% of all fuel poor households are in PRS accommodation. PRS housing is also much more likely to have higher energy costs than socially rented accommodation. Only 34% of PRS homes are rated at EPC C or above, compared to 60% for socially rented homes. 213,000 PRS homes are still in either band F or G, with energy bills likely to exceed £2,000, and fuel poor homes in the PRS pay on average £325 more than the average household for their energy. NEA believes that a non-EPC target would risk defraying the objective away from reducing costs, leaving many households will high bills still.

NEA also believes that moving towards a carbon-based objective is not necessarily may result in poor fuel poverty outcomes. BEIS has undertaken research\*\*xvi\* on the rationing of energy usage across different households. This study found that fuel poor households spent, on average £319 less on energy that they theoretically are required to consumer for a healthy lifestyle, compared to £110 less for households that are not fuel poor. This indicates that fuel poor households ration their energy to a tune of at least £200 per year. If physical measures are coupled with, for example, debt or income advice (as is good practice when helping a household out of fuel poverty), then energy usage may actually increase. This undoubtedly good outcome, of a household being able to live in relative warmth would then be judged as a failure if there was a carbon metric. On the other hand, a household that received a measure but reduced their usage by living in a colder home would be judged a success by a carbon standard, even though this should be counted a failure by any measure.

Some organisations believe that EPCs are flawed and that the Government should not continue to use them to set targets and measure progress. While NEA understands these concerns, we maintain our belief that the establishment of EPCs has been broadly welcome, and their simplicity and integration into multiple

parts of legislation make them an excellent candidate for fuel poverty (and carbon) targets and measurements.

It is however important to recognise how EPCs can evolve and respond to some of the well-known issues within the current Standard Assessment Procedure (SAP) methodology that underpins the scoring and address a variance in the quality of EPC assessments. NEA welcomes the new EPC Action Plan<sup>xxvii</sup>, which should help to give confidence in EPCs going forward. However, BEIS must give further attention to several anomalies.

Two identical households could be judged as having two different EPC scores just because the assessing of EPCs can be unreliable. This is especially true of deemed EPCs and NEA has heard frequent concerns with the quality and accuracy of 'bulk EPC' data which looks to predict EPCs for similar proprieties. This could be addressed by ensuring fuel poor households are required to meet at least a median SAP level or greater within EPC band C before it can be considered to have researched the required standard\*\*xviii. The UK Green Building Council has also identified two areas\*\*xix\*\* that need to be addressed in order to increase the reliability of EPCs:

- The various accreditation and certification bodies are all competing for customers, which
  does not necessarily encourage rigour in the auditing process; and
- Audits of EPCs are predominantly desk-based, which means that there is little risk to an
  assessor in delivering inaccurate assessments of items which are difficult to desk-audit or
  are not necessarily revealed by the photographs required as part of the EPC assessment.

There is also a specific concern about the coverage of EPCs within Houses in Multiple Occupation (HMOs). We strongly advocate the introduction of a requirement for an EPC for the whole building to be produced when a single unit in the building is marketed for rent. HMOs are disproportionately occupied by vulnerable people who have no other choice about where they live. Energy efficiency problems (such as damp and unhealthily low temperatures) are more prevalent in HMOs than in other types of home.xxx Despite this, the domestic MEES does not apply to the overwhelming majority of HMOs. It only applies where a property has an EPC, and there is currently no obligation to obtain an EPC for an individual non-self-contained unit within a property. Requiring an EPC for the whole building to be produced when a unit in an HMO is rented out will go part way to triggering the PRS minimum standardxxxi. However, it would also need to be accompanied by a minor amendment to the Energy Act 2011. The Act currently only applies where properties are let out under a single tenancy, not multiple tenancies (as is generally the case with HMOs). A simple amendment to Section 42 of the Energy Act 2011 could extend the definition of 'domestic private rented property' to include a property let out on more than one tenancy. A private member's bill introduced by Dr Alan Whitehead MP in the 2014/15 Parliamentary session showed how this could be done.xxxii In addition, single-bed HMO tenancies should be required to have an EPC within mandatory licencing conditions and therefore would be captured by PRS regulations.

If the Government does move ahead with a carbon-based metric (against the views of many organisations who are concerned with reducing fuel poverty), a strong fabric first approach must be embed within the final policy to ensure needless space heating demand is reduced as a priority. Without this, NEA is concerned that there will be a perverse incentive to install oversized low carbon heating technologies which would be more expensive for the occupants to run.

Question 6: Do you agree with the government's preferred policy scenario of requiring 'new tenancies' to reach EER C from 1 April 2025 and 'all tenancies' to reach EER C by 1 April 2028? If not, do you have alternative suggestions; please provide evidence with your answer.

Yes, NEA agrees with this policy scenario. This shows a good level of ambition and will help many households achieve the fuel poverty target 2 years before the end date of 2030.

Question 7: Do you agree with increasing the cost cap to £10,000 inclusive of VAT as our preferred policy proposal? If not, please explain why not and provide evidence with your answer.

No. NEA believes that a £15k cost cap would be more effective in reaching both fuel poverty and net zero targets. According to the impact assessment that accompanies this consultation, the average cost to landlords, if the cost cap were to be increased to £15k, would remain significantly below £10k at £5,300.\*\*xxxiii

Only 11% of landlords are modelled to have to spend between £10k and £15k and therefore only a modest increase in average landlord spend between the two cost caps achieves the required energy efficiency standards within an additional 60,000 households. This presents excellent value for money for a total increase in 3 percentage points of properties reaching EPC C. NEA also note that the same impact assessment also attributes the highest net present value of the options presented to the £15k cost cap. While a £10,000 price cap leads to only ~10% of EPC F&G PRS properties reaching EPC C by 2028, a £15,000 cost cap would result in almost 30% of these properties reaching EPC C. These households are where the most acute fuel poverty is felt, with energy bills topping £2,000. A failure to upgrade them to the statutory standard of EPC C would be a significant dereliction of duty.

#### Question 8: Should the £10,000 cost cap be adjusted for inflation?

Yes. NEA supports the final cap being adjusted for inflation. The year worth of inflation between 2011 and 2019 was 23% This 23%, applied to the £15k cost cap is worth £3,450. If there the relationship between properties reaching EPC C and the cost cap is broadly linear between the £10k and £15k cost cap, then this equates to more than 2% of PRS homes not meeting EPC C if inflation not applied. In addition, the Government should review the cost of energy efficiency measures funded under the cap and ensure that if the costs of the measures increase due to an increase in demand, this too is reflected in revisions to the cap.

Question 9: Should a requirement for landlords to install fabric insulation measures first be introduced? If yes, when, and how should such a requirement be implemented? If no, what are the alternative installation methods that maximise energy efficiency outcomes? Please provide evidence to support your answer.

Yes, there should be a fabric first approach. Energy efficiency measures are the best, lasting way of solving fuel poverty. The draft Fuel Poverty Strategy for England 2019\*\*xxv\* recognises this, and rebates are in no way a good substitution for permanently reducing the energy needs of a household.

Question 11: Should government introduce an affordability exemption? If so, we would welcome views on how such an exemption should be designed and evidenced, and any potential impacts on the PRS market.

#### <u>And</u>

Question 12: What should the eligibility criteria be for an affordability exemption if it is introduced, and how can the criteria accommodate fluctuations in a landlord's finances and/or in the value of a property? Please provide evidence to support your answer.

NEA believes that given the impact of the pandemic on household finances, and the large variation in landlord finances across the country, that an affordability exemption may be necessary at a higher cap level such as £15,000. An exemption, however, would ultimately come at the cost of fewer homes being upgraded. NEA therefore believes that in order to reduce this risk, landlords that meet some affordability criteria should be allowed to access grants, such as ECO, the Green Homes Grant, and future grant funding in order to upgrade their homes to the requisite level.

If the Government do choose to implement an affordability exemption for the extension of MEES, then this exemption should be consulted on fully. It has the potential to have a significant impact on the delivery of the policy, and no solid policy proposals have been articulated in this consultation. Furthermore, the impact assessment does not consider an affordability exemption at all. Without scrutiny on this part of the policy, there could be significant unintended outcomes that undermine progress towards both fuel poverty and carbon targets.

## Question 13: Should we incorporate TrustMark into energy performance improvement works? If not, please explain why not and provide evidence with your answer.

Yes, NEA agrees with the incorporation of TrustMark into the regulations. This ensures that the standards of the scheme run parallel to ECO and the Green Homes Grant and achieves a good level of minimum standard across Government schemes.

## Question 14: What role can the private rented sector play in supporting the rollout of smart meters and what are the barriers and possible solutions to achieving this?

NEA has a long-standing interest in smart meters and their roll-out in Great Britain and Northern Ireland, particularly with regard to their impact on vulnerable consumers. NEA believes that smart metering has the potential to provide real benefits for vulnerable and low-income householders, but only if these individuals are effectively engaged and supported throughout their smart meter journey. Our proposals below must therefore be accompanied by such engagement, and Smart Energy GB must have a significant role to play in ensuring that the rollout in the PRS is successful, in particular for vulnerable households. The private rented sector can play a significant role in supporting the rollout of smart meters. Minimum energy efficiency standards provide an excellent policy platform for driving uptake of smart meters, and BEIS should consider how the standards could incorporate requirements for smart metering.

In our response to the BEIS consultation "Delivering a Smart System: Consultation on a Smart Meter Policy Framework post 2020", NEA proposed an obligation on landlords to install smart meters in privately rented properties before they are able to be let, alongside (or as part of) the pre-existing minimum energy efficiency standards for privately rented properties. This would help to ensure that private renters do not miss out on the benefits of smart meters and could be implemented within any future updates to the Energy Efficiency (Private Rented Property) (England and Wales) (Amendment) Regulations 2019xxxvi. Since then, we have also considered the following as potential mechanisms for driving uptake of smart meters in the private rented sector:

- Introducing a condition as part of the license to rent a property.
- Introducing a requirement for landlord accreditation for a landlord to have installed a smart meter or have requested an install in the last 6 months.
- Introducing a requirement for a smart meter as a standard of habitation.
- Introducing a requirement for a smart meter installation as part of electricity and gas safety repair standards.
- Ensuring that changes to letting or management agent practices preventing the inclusion of a change meter clause in the tenancy agreement in any new tenancy agreement.
- Introducing a requirement to install a smart meter when a tenancy is changed.

## Question 15: We would welcome views on whether the PRS Regulations may need to be tightened further for the 2030s? Please provide evidence with your answer.

Yes. In order to meet the fuel poverty target of all fuel poor households reaching EPC C by 2030, then some additional regulation and incentives will be required. The impact assessment of this consultation suggests that even the £15,000 cost cap would lead to 490,000 fuel poor households failing to reach the required standard by 2030. New policies will therefore be needed, or the statutory requirement will not have been met.

## Question 16: What are the other steps government could take to increase awareness and understanding of the PRS Regulations?

NEA believes that there are several touchpoints that can be utilised in order to raise awareness of the PRS regulation for both landlord and tenants. These energy related touchpoints are:

- When a tenant receives energy advice through the either the Warm Home Discount scheme or other schemes with Ofgem oversight such as the upcoming use it or lose it allowance for Gas Distribution Networks (GDNs).
- Energy efficiency schemes, such as ECO and the Green Homes Grant, where tenants could be given information on the PRS MEES when they:
  - a. Apply for such schemes; or
  - b. Are approached by suppliers, local authorities or contractors to take part in such schemes.
- The smart meter programme. Where if a meter installer identifies that the home that receives the upgrade is privately rented, the energy efficiency advice that they give under the Smart Meter Installer Code of Practice should include tailored advice on the Private Rented Sector.
- The Fuel Poore Network Extension Scheme. Where a GDN or their contractor identifies that a recipient household is a PRS household, then they should give advice on PRS MEES.

Question 17: Is the introduction of a PRS property compliance and exemptions database necessary to help local authorities to proactively enforce minimum energy efficiency standards? If yes, should we include the per-property registration fee within the cost cap? If not, what alternatives to a PRS property compliance and exemption database would you suggest?

Yes, NEA agrees with the creation of a database to help local authorities proactively enforce against non-compliance, but the cost of this to landlords should not come out of the cost cap, which already would leave hundreds of thousands of fuel poor households living in homes that do not reach EPC C. NEA does believe, however that the database should go further than has been articulated in the consultation.

An independent report\*xxxvii commissioned by the Committee on Fuel Poverty, said that landlord registration and licensing is "the most practical means of identifying landlords who currently lack an EPC on a proactive basis, rather than waiting for tenants to raise complaints", and that while setting up such a scheme would require time and resource, local authority officers felt strongly that this was something they would support being undertaken on a national basis, as this would allow people to spot national issues or landlords operating across multiple authority areas, rather than at the local level. The report also signalled many possible gains from property registration and licensing that could help with improving the quality of the PRS in many areas, as well as the MEES, hence a strong appetite from local authorities and tenant groups to implement it. This is similar to the approach already taking place in Wales, where there is a national landlord database.

In Wales, the immediate landlord of a rental property in Wales needs to complete a landlord registration and must do so themselves. A landlord registration involves providing landlord personal details, rental property addresses owned by that landlord, and the details of those responsible for the letting and/or management activities at the rental property. Such a registration scheme serves two purposes. It helps facilitate enforcement action from local authorities, who have access to significantly more data than in England. Secondly, it drives compliance focussed behaviour from landlords, who will become aware of the higher risk of enforcement action if they are registered. NEA therefore recommends a more complete landlord registration scheme in England to help aid compliance.

Question 19: Should government seek primary powers to place a requirement on letting agents and online property platforms to only advertise and let properties compliant with the PRS Regulations? If not, please explain why not and provide evidence with your answer.

Yes, NEA agrees with this proposal.

Question 20: Should government remove the seven to twenty-one day exemption period on landlords making all reasonable efforts to provide a valid EPC prior to a property being marketed or let? If not, please explain why not and provide evidence with your answer.

Yes, NEA agrees with this proposal.

Question 21: Should government increase the level of the fixed civil penalty fine for offences under the EPB Regulations (currently set at £200)? If yes, how high should the fine be?

Yes, NEA agrees with this proposal. The fine should be set at a level that does not allow landlords to game the system with an economically logical business model that accepts that fines will be given for noncompliance.

Question 22: Should government enable LAs to inspect properties for PRS compliance? If not, please explain why not and provide evidence with your answer.

Yes, NEA agrees with this proposal however, the Government must also set out how LAs will ensure tenants who allow entry to properties are not punished by their landlords and set out how they will communicate any findings from the inspection to landlords directly and not rely on tenants to convey the findings.

## Question 23: Should government permit local authorities to use EPC Open Data for some phases of PRS enforcement? Please provide evidence with your answer.

Yes, NEA agrees with this proposal however continuous improvements should be made to drive up the accuracy of this data.

## Question 24: Should there be a requirement for post-improvement EPCs (and for the cost to be included within the cost cap)?

Yes, NEA agrees with the creation of a database to help local authorities proactively enforce against non-compliance, but the cost of this to landlords should not come out of the cost cap, which already would leave hundreds of thousands of fuel poor households living in homes that do not reach EPC C.

#### Question 25: Should a valid EPC be in place at all times while a property is let?

Yes, NEA agrees with this proposal.

## Question 27: Should listed buildings and those in a conservation area be legally required to have an EPC?

Yes, NEA agrees with this proposal.

# Question 28: Should government seek primary powers to increase the maximum fine level to £30,000 per property for each breach of the PRS Regulations? If yes, should it be adjusted for inflation? If not, what would be an alternative, appropriate maximum fine level? Please provide evidence with your answer.

Yes, NEA agrees with this proposal. The fine should be set at a level that does not allow landlords to game the system with an economically logical business model that accepts that fines will be given for noncompliance. We believe that a fine level of £30,000 would satisfy this requirement. The fine proceeds should also be ring-fenced for taking enforcement action with local authorities or supporting initiatives that can drive up energy efficiency levels in fuel poor neighbourhoods. However, this source of funding should not be relied upon as the sole way to fund this activity within LAs. It may require some ring-fenced 'pump-priming' funding to allow LAs to establish an effective enforcement capability, and after that, the funding from fines could be used to support revenue costs such as officer time.

# Question 29: Should government introduce powers for tenants to request that energy performance improvements are carried out where a property is in breach? If yes, how could a redress mechanism be devised?

Yes, NEA agrees with this proposal. As noted above, there is also a need to continue to strengthen retaliatory eviction protections, so that tenants have the confidence to make these requests of their landlords.

## Question 30: Should government introduce some form of local authority disclosure or benchmarking where a property is in breach of PRS Regulations?

Yes, NEA agrees with this proposal. NEA has also urged the Government to introduce a nation-wide mechanism that enables local authorities to specify how many improvement notices under HHSRS have been served to landlords for category one and two hazards and for what for reasons (e.g. excess cold). This could be taken forward with a central resource for an 'EHO of last resort' which would act as a backstop for the enforcement of housing standards.

more information visist:

https://www.ops.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/bulletins/excesswintermortality/inengland

https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/bulletins/excesswintermortalityinenglandandwales/2019to2020provisionaland2018to2019final.

viiThe health implications of cold temperatures on respiratory conditions and on frail and elderly households are well known. These impacts are also intergenerational, with children twice as likely to suffer from asthma or bronchitis if they inhabit cold and damp housing. These issues have been badly exacerbated the Covid-19 crisis. During the colder months many people will continue to stay at home for longer periods. Alongside the psychological stress and social isolation caused by the virus, too many will have to choose between heating their home adequately and falling into debt or rationing their energy use and living in cold damp homes that are dangerous to their health and can shorten their lives. This can lead to a vicious cycle of hospital admission, discharge and readmission. Poor housing leads to sharp rises in energy use. A recent independent analysis suggests that, if a second lockdown was re-imposed during winter months, families in cold, leaky homes would face heating bills elevated on average to £124 per month, compared with £76 per month for those in well-insulated homes – a difference of £49 (£48.7) per month.

viii In 2016 BRE released its revised Cost of Poor Housing (COPH) report, which estimated the cost of poor housing to the NHS based on EHS and NHS treatment costs from 2011 and includes treatment and care costs beyond the first year. It also includes additional societal costs including the impact on educational and employment attainment. Finally, it provides information in terms of QALYs (Quality adjusted life years) as well as cost benefits, and to compare with other health impacts. The report estimates that the overall cost of poor housing is £2bn, with up to 40% of the total cost to society of treating HHSRS Category 1 hazards falling on the NHS. Overall, the cost to the NHS from injuries and illness directly attributed to sub-standard homes was estimated at £1.4billion, and the total costs to society as £18.6 billion.6 Research by the BRE in 2013 suggested that if all of the English housing stock with a SAP below the historic average of 41 was to be brought up to at least the current average of 51 through heating and insulation improvements, the health cost-benefit to the NHS would be some £750 million per annum.6 Other estimates put the costs to the NHS of energy inefficient housing at £192 million (£35 million of which was in the private rented sector). Use of the BRE category 1 calculator put the estimated private rented sector costs to the NHS at between £37 and £674 million depending on SAP rating and occupancy level.

ix Elliot AJ, Cross KW, Fleming DM. Acute respiratory infections and winter pressures on hospital admissions in England and Wales 1990-2005. J Public Health (Oxf). 2008 30(1):91-8.

xii The Conservative Party Manifesto pledged £2.5bn for a Home Upgrade Grant scheme to help fuel poor households improve the energy efficiency of their homes, and a £3.5bn Social Housing Decarbonisation fund to improve homes in the social rented sector. <a href="https://www.conservatives.com/news/our-manifesto-gets-brexit-done-and-unleashes-the-potential-of-the-whole-country">https://www.conservatives.com/news/our-manifesto-gets-brexit-done-and-unleashes-the-potential-of-the-whole-country</a>
The first Queen's speech of the Government elected in 2019 reaffirmed these commitments.

<a href="https://www.gov.uk/government/speeches/queens-speech-december-2019">https://www.gov.uk/government/speeches/queens-speech-december-2019</a>

xiii In particular it is important to address a variance in the quality of EPC assessments. Two identical households could be judged as having two different EPC scores just because the assessing of EPCs can be unreliable. This is especially true of deemed EPCs and NEA has heard frequent concerns with the quality and accuracy of 'bulk EPC' data which looks to predict EPCs for similar proprieties. This could be addressed by ensuring fuel poor households are required to meet at least a median SAP level or greater within EPC band C before it can be considered to have researched the required standard. The UK Green Building Council has also identified two areas that need to be addressed in order to increase the reliability of EPCs: The various accreditation and certification bodies are all competing for customers, which does not necessarily encourage rigour in the auditing process; and audits of EPCs are predominantly desk-based, which means that there is little risk to an assessor in delivering inaccurate assessments of items which are difficult to desk-audit or are not necessarily revealed by the photographs required as part of the EPC assessment.

xiv In the case of an individual landlord, the allowance was claimed against income tax on the profits from letting; in the case of a corporate landlord whose rental business is registered as a company, LESA was claimed against corporation tax.

xv In July 2019 The I newspaper conducted an investigation into the compliance of landlords for MEES and the enforcement against non-compliance. For more information see: <a href="https://inews.co.uk/news/environment/little-punishment-landlords-flouting-energy-efficiency-rules-527015">https://inews.co.uk/news/environment/little-punishment-landlords-flouting-energy-efficiency-rules-527015</a>

xvi In 2019, the Committee on Fuel Poverty commissioned research to look at what alternative enforcement models could be adopted and how they might work in the Private Rented Sector. RSM undertook the research, publishing findings in the report "Enforcing the Enhancement of Energy Efficiency Regulations in the English Private Rented Sector". For more information see:

<sup>&</sup>lt;sup>1</sup> For more information visit: www.nea.org.uk.

ii NEA also work alongside our sister charity Energy Action Scotland (EAS) to ensure we collectively have a UK wider reach.

iii Over the last 5 years, there has been an average of 35,562 excess winter deaths each year across the UK. NEA estimates that approximately 30% of these are attributable to the impact cold homes have on those with respiratory and cardio-vascular diseases and the impact cold has on increasing trips and falls and in a small number of cases, direct hyperthermia. This is in line with estimates made by the world health organisation - http://www.euro.who.int/\_\_data/assets/pdf\_file/0003/142077/e95004.pdf
iv EWDs in the winter of 2019/20 were 19.6% higher than 2018-19 but lower than the 49.410 recorded in the winter of 2017-18. For

<sup>&</sup>lt;sup>v</sup> Excess winter mortality statistics record the 'additional' deaths that occur in December to March compared to the preceding August to November and Following April to July. Of these the World Health Organisation estimates that 30% are due to cold housing (WHO 2011)

vi https://www.nea.org.uk/wp-content/uploads/2020/11/NEA-Under-One-Roof-FULL-REPORT-FINAL-Feb-19.pdf

<sup>&</sup>lt;sup>x</sup> The energy efficiency based Fuel Poverty (England) Regulations 2014 are a legal requirement the UK Government is still bound by. As a result, the UK must ensure all fuel poor homes in England achieve a minimum energy efficiency rating of Band C by 31 December 2030.

xi Statistics from the Fuel Poverty Statistics 2020 dataset <a href="https://www.gov.uk/government/statistics/fuel-poverty-detailed-tables-2020">https://www.gov.uk/government/statistics/fuel-poverty-detailed-tables-2020</a>

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/825485/enforcing-enhancement-energy-efficiency-regulations-English-private-rented-sector.pdf

The Committee on Fuel Poverty subsequently recommended that "a national mandatory PRS registration scheme should be set up covering England, and that it should be run centrally but accessed and enforced by Local Authorities locally. The scheme should integrate the necessary details on the landlords, their properties and the energy efficiency ratings of the properties.". For more information on the recommendations of the Committee see

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/813586/CFP\_recommendations\_on\_PRS\_Enforcement\_research\_31\_May\_2019.pdf

xvii The new Social Housing White Paper, released on 17<sup>th</sup> November 2020, commits to "Review the Decent Homes Standard to consider if it should be updated, including how it can better support the decarbonisation and energy efficiency of social homes, and improve communal and green spaces." For the paper, see

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/936098/The\_charter\_for\_social\_housing\_residents - social\_housing\_white\_paper.pdf

xviii https://www.citizensadvice.org.uk/about-us/policy/policy-research-topics/debt-and-money-policy-research/excess-debts-who-has-falen-behind-on-their-household-bills-due-to-coronavirus/

- xix From the NEA report "Fuel Poverty Monitor 2019/20" <a href="https://www.nea.org.uk/publications/ukfpm-20/?parent=what-we-do/resources-publications">https://www.nea.org.uk/publications/ukfpm-20/?parent=what-we-do/resources-publications</a>
- xx In November 2020, The Resolution Foundation published a briefing note examining how the family finances of working-age adults have been affected since Covid-19 gripped the nation in the spring of 2020. For more information see: <a href="https://www.resolutionfoundation.org/app/uploads/2020/11/Caught-in-a-Covid-trap.pdf">https://www.resolutionfoundation.org/app/uploads/2020/11/Caught-in-a-Covid-trap.pdf</a>
- xxi StepChange commissioned national polling in September, updating and extending a survey conducted in May, to understand how coronavirus has affected personal finances six months into the pandemic in the UK For more information, see: <a href="https://www.stepchange.org/Portals/0/assets/pdf/tackling-the-coronavirus-personal-debt-crisis.pdf">https://www.stepchange.org/Portals/0/assets/pdf/tackling-the-coronavirus-personal-debt-crisis.pdf</a>
- xxii In November 2020, Public Health England published an edition of "Health Matters" covering the impact of cold weather on health, how COVID-19 amplifies cold-related risks, and actions that can be taken to prevent harm, particularly to those most vulnerable. For more information see: <a href="https://www.gov.uk/government/publications/health-matters-cold-weather-and-covid-19/health-matters-cold-weath
- xxiii The 2015 Fuel Poverty Strategy set a statutory fuel poverty target for all fuel poor homes to reach EPC C by 2030. <a href="https://www.gov.uk/government/publications/cutting-the-cost-of-keeping-warm">https://www.gov.uk/government/publications/cutting-the-cost-of-keeping-warm</a>
- xxiv In October 2017, BEIS published the Clean Growth Strategy, setting out a comprehensive set of policies and proposals that aim to accelerate the pace of "clean growth", i.e. deliver increased economic growth and decreased emissions. For more information see: <a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/700496/clean-growth-strategy-correction-april-2018.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/700496/clean-growth-strategy-correction-april-2018.pdf</a>
- xxv The new Social Housing White Paper, released on 17<sup>th</sup> November 2020, commits to "Review the Decent Homes Standard to consider if it should be updated, including how it can better support the decarbonisation and energy efficiency of social homes, and improve communal and green spaces." For the paper, see

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/936098/The\_charter\_for\_social\_housing\_residents - social\_housing\_white\_paper.pdf

xxvi In April 2019, BEIS undertook and released research to explore the difference between theoretical energy consumption (from fuel poverty statistics), and actual energy consumption (recorded in the National Energy Efficiency Data Framework) for English dwellings. For the report see:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/789775/Comparison\_of\_theoretical\_energy\_consumption\_with\_actual\_usage.pdf

xxvii BEIS released an action plan to improve Energy Performance Certificates for Buildings in September 2020. For more information see

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/922660/EPC\_Action\_Plan.pdf xxviii Band C properties have a SAP score from 69-80.

- xxix From the UKGBC response to the BEIS Call for Evidence Energy Performance Certificates for Buildings. For more information please see <a href="https://www.ukgbc.org/news/ukgbc-responds-to-call-for-evidence-energy-performance-certificates-for-buildings/">https://www.ukgbc.org/news/ukgbc-responds-to-call-for-evidence-energy-performance-certificates-for-buildings/</a>
- XXX NEA and Future Climate, Fuel Poverty and Houses in Multiple Occupation: Practitioners' Views, Final Report, March 2016
- xxxi This could be achieved if all HMOs or all PRS properties overall are required to have an EPC as a mandatory condition within local authority licensing schemes. This would require a small adjustment to the secondary legislation which supports the Housing Act 2004.
- xxxii Houses in Multiple Occupation (Energy Performance Certificates and Minimum Energy Efficiency Standards) Bill, <a href="https://publications.parliament.uk/pa/bills/cbill/2014-2015/0082/15082.pdf">https://publications.parliament.uk/pa/bills/cbill/2014-2015/0082/15082.pdf</a>
- xxxiii Based on figures from the Impact Assessment of this consultation, table 17. For the Impact Assessment see: <a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/932403/prs-epc-c-consultation-stage-ia.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/932403/prs-epc-c-consultation-stage-ia.pdf</a>
- xxxiv Data on inflation found using the Bank of England Inflation Calculator <a href="https://www.bankofengland.co.uk/monetary-policy/inflation/inflation-calculator">https://www.bankofengland.co.uk/monetary-policy/inflation/inflation-calculator</a>
- xxxv The Fuel Poverty Strategy 2019 states "Improving energy efficiency is the best long-term solution to tackling fuel poverty". See <a href="https://www.gov.uk/government/consultations/fuel-poverty-strategy-for-england">https://www.gov.uk/government/consultations/fuel-poverty-strategy-for-england</a>
- xxxvi See http://www.legislation.gov.uk/uksi/2019/595/contents/made
- xxxvii Enforcing the Enhancement of Energy Efficiency Regulations in the English Private Rented Sector RSM <a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/825485/enforcing-enhancement-energy-efficiency-regulations-English-private-rented-sector.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/825485/enforcing-enhancement-energy-efficiency-regulations-English-private-rented-sector.pdf</a>