

GOVERNMENT CONSULTATION: East Suffolk Council response:

Improving the energy performance of privately rented homes in England and Wales

Further information/ Consultation document: [Improving the energy performance of privately rented homes: 2025 update - consultation document](#)

QUESTIONS:

- 1. Do you agree with government's preferred position of using new alternative Energy Performance Certificate (EPC) metrics following EPC reform as the basis for higher Minimum Energy Efficiency Standards (MEES) for privately rented homes?**

Yes – there needs to be an effective system for citizens to judge both the running costs of a home and how well it contributes to carbon reduction/net zero. The PRS is trailing behind on both of these agendas so there is a need for further intervention.

There also needs to be cross reference to HHSRS excess cold and damp and mould so that retrofit decisions also take into account landlord duties to mitigate these hazards (plus Decent Homes Standard and Awaab's Law).

EPC exemption decisions are currently taken in isolation without regard for wider duties in relation to health risks from excess cold and damp and mould. This has been occurring all too frequently, particularly in relation to listed buildings.

- 2. Government would welcome views on options for setting future MEES against a combination of new EPC metrics. Do you agree with government's preferred approach of having a requirement to meet a primary standard set against the fabric performance metric and then a secondary standard set against either the smart readiness metric or heating system metric, with landlord discretion on which secondary metric their property meets?**

No, it's too complex and yet fails to coordinate with the health/HHSRS aspect outlined above

- 3. What are your views on the alternative approaches of:**

Alternative 1: A requirement to meet a standard set against dual metrics of equal weighting. The standard would be set against dual metrics including two of the following: fabric performance, heating system and smart readiness.

Alternative 2: A requirement to meet an overarching standard set against all three metrics of fabric performance, heating system, and smart readiness, either through improvements across all standards or through landlords concentrating improvements against one or two standards

Alternative 2 is the preference based on our interactions with landlords and agents. A system that is overly complex or involves too many choices will result either in avoidance or short-term economic decisions that are unlikely to provide good outcomes for the occupants or the building.

The challenge is to develop a system that is sophisticated enough to account for a range of inter-related objectives, whilst providing a rating that is easy to follow and incentivises investment in the right measures.

Those inter-related objectives are:

1. Thermal comfort & lower heating costs
2. Damp and mould prevention and Indoor air quality
3. Fabric performance
4. Heating system performance
5. Smart readiness

4. Do you have any alternative suggestions for how government could utilise new EPC metrics as the basis for MEES, such as a single metric approach (e.g. fabric or cost based?) Please provide a rationale with your answer.

In the longer term, can we design a single metric that covers health, financial and net zero aspects of retrofit?

MEES metrics need to interconnect with health considerations (HHSRS)

5. Do you agree with government's proposal to increase the maximum required investment for Private Rented Sector (PRS) MEES to £15,000 per property and for landlords to be able to register an exemption if expenditure would take them over this figure? If not, please set out whether you consider a cap should apply and how; and if so, what level you consider the cap should be set at and why (whether this is the 2020 proposal of £10,000 or another figure). Please explain your answer.

It depends on how this works alongside other sources of funding such as ECO4 and Warm Homes Local. The system needs to encourage appropriate levels of investment in long term solutions. Owners of hard-to-treat homes need appropriate levels of support to identify and invest in those solutions. A £15,000 cost cap alongside £15,000 of WHL funding will be needed in lots of cases particularly in relation to listed buildings where detailed investigation and professional support to gain consents will be expensive ancillary costs. EPC data for Suffolk shows there are 9,738 F&G rated homes. This represents 4% of all homes in Suffolk that have an EPC.

Consideration will need to be given on how to encourage investment in hard-to-treat homes to achieve a reasonably practicable EPC level that also addresses health risks (i.e. it mitigates health hazards and complies with the Decent Homes Standard). ECO and other funding eligibility will need to follow

the same considerations so that the total investment achieves the level required.

6. Should government extend the exemption period for the cost cap to ten years? If not, how long do you think the cost cap exemption should last? Please explain your answer.

A 10 year exemption is too long and would represent a failure to recognise current health impacts of poor energy efficiency (Excess Cold) and the links with fuel poverty. It would also be a failure to recognise the pace of technological change and the impact that an effective, sustained retrofit programme could have on the development of the green economy.

Rather than extend a dysfunctional exemptions system, steps need to be taken to improve the integrity of the current system to support the primary objective whilst providing appropriate support to those who would otherwise qualify for exemption.

A grants system that encourages local councils to take a strategic approach to balance heritage/listed building regulation alongside carbon reduction and resident health duties is needed now, rather than further postponement which has both health and environmental consequences.

7. Do you agree with government's preferred implementation timeline to require 'new tenancies' to meet the higher standard from 2028 and 'all tenancies' to meet the higher standard by 2030? If not, do you have alternative suggestions?

Careful consideration is needed on how this:

- impacts on tenancies and tenancy turnover
- affects access to grant funding, much of which is currently linked to occupier eligibility
- can encourage the right works to be done at the right time
- impacts on industry/workforce capacity based on modelled numbers of homes to be retrofitted across the transition period.

The current target has not been met. For example, 1686 homes in the PRS in Suffolk are still rated F or G. (9968 are E rated and 23,010 are D rated).

A more pragmatic, sustainable approach is needed, informed by what has occurred to date, together with learning from good practice examples (UK and elsewhere).

That may involve a longer lead in with more incentives, fewer exemptions and fewer mixed messages to enable the industry to scale up and refine the retrofit process for a wide range of PRS homes, including listed buildings.

<p>8. Do you agree with government’s proposal that, as an EPC reform transition measure, landlords should be able to demonstrate their properties are compliant with the existing standard of EPC E using their past EPC?</p>
<p>Yes, subject to having an efficient system in place for checking older EPCs.</p> <p>There also needs to be consideration of HHSRS excess cold and damp and mould. Is there an opportunity to phase in upgrade works earlier on those homes which perform badly under the new assessment (and where the excess cold hazard is significant)?</p> <p>With appropriate funding support this could enable a more phased transition from 2026 that helps to mobilise the retrofit industry and stimulate investment in jobs from an earlier stage.</p>
<p>9. Do you agree properties that have an EPC rating of C against the EER on EPCs before 2026 should be recognised as compliant with the future standard until their EPC expires or is replaced?</p>
<p>Yes agreed – it is pragmatic to transition C ratings across as compliant until the current EPC expires.</p>
<p>10. Do you agree with government’s proposal to require landlords to commission a new EPC before taking action to comply with higher MEES?</p> <p>10.1. Should the cost of this new EPC be included within the cost cap?</p> <p>10.2. Should landlords still be required to commission post-improvement EPCs? If yes, should the cost of the post-improvement EPC also be included within the cost cap?</p>
<p>A suitable retrofit assessment that informs decision making will be needed. Will the new EPC format provide this?</p> <p>10.1 - An inclusion of a new EPC within a cost cap could result in EPC price inflation,</p> <p>10.2 – As above</p>
<p>11. Should government develop an affordability exemption? If yes, what eligibility criteria would be the most appropriate for an affordability exemption? Please indicate which, if any, of the proposed approaches you support or otherwise provide alternative suggestions.</p>
<p>Any exemption (including for affordability) needs to have regard to emerging LL duties under HHSRS to tackle excess cold and damp and mould (including Awaab’s Law) for which there is no exemption provision.</p>
<p>12. Should government apply the PRS MEES Regulations to short-term lets? Please explain your answer.</p>

Yes, there are too many incentives to move PRS homes across to short-term lets which is at odds with the principal purpose of the residential sector.

Removal of this stark contrast on EPC & MEES will help to stem the flow of homes from residential to leisure/tourism uses.

13. What actions could government take, including changes to the law to encourage or require smart meters in properties undergoing efficiency upgrades, to increase the number of smart meters installed in the PRS? Please provide your rationale and evidence for any suggestions for actions you have.

Martin Lewis suggests 1 in 5 smart meters do not work properly. Smart meter issues need to be fixed to restore confidence in them. Rural connectivity problems contribute to this.

Given the range of objectives that need to be better coordinated, we do not believe that incentivising smart meters by landlords as part of MEES is appropriate. Instead we take the view that smart meter uptake needs to be targeted at end-users (i.e. private tenants) rather than being imposed on them.

14. Do you think the current MEES exemptions available to landlords are suitable?

14.1. Are there other circumstances, not covered by the current MEES exemptions regime, where you think government should consider making exemptions for?

MEES exemptions currently undermine the system as they are ill-conceived and not regulated.

In our experience of working across the County of Suffolk on the (Safe Suffolk Renters) pathfinder project, we have found many incorrect exemptions registered without adequate evidence. The exemption system must be cross referenced with excess cold and damp and mould duties and include robust evidencing/auditing for any exemptions that continue to be permitted.

15. Do you agree with government's preferred position to keep a potential requirement on lettings agents and online property platforms under review whilst the PRS Database is being developed for properties in England?

No – the EPC register is a publicly accessible resource that is easy to access. Why wait?

16. Do you have any new evidence to submit regarding the topics as summarised in Chapter 2 of this consultation? Please specify which topic you are providing new evidence for.

Common misconceptions can be summarised as:

- The belief that MEES Regulations do not apply to listed buildings
- The belief that the MEES Regulations do not apply to privately rented properties located within a conservation area.
- The belief that a MEES exemption automatically apply to a PRS home.

There is a widely held misapprehension within the industry that EPCs are not required for rental properties that are listed or located within a conservation area, and as such, there is no obligation to comply with MEES. The EPC regulations do not state that these dwellings are exempt from the MEES requirements, but rather they are exempt "insofar as compliance with certain minimum energy performance requirements would unacceptably alter their character or appearance". As is the case with each of the defined exemptions, these must be registered on the PRS Exemptions Register and supported by evidence.

A number of landlords viewed the MEES Regulations as an 'administrative burden' and were relieved that their rented F and G rated rental properties were listed building or located within a conservation area. There is an apparent lack of knowledge/education in this area (and with the MEES Regulations as a whole); the issue being particularly evident in relation to the PRS Exemptions Register and the requirement to register an exemption where applicable.

Accuracy of EPC's

There are a growing number of studies that suggest a significant number of EPCs are inaccurate:

- Octopus Energy has seen up to a 40% variance in the total energy requirement for heating and hot water from one assessor to another.
- Research has also found that at least 27% of all EPCs lodged between 2008 and 2016 have a discrepancy that suggests an error was made. - *An analysis of errors in the Energy Performance certificate database, Leeds Beckett University 2019.*
- A study that looked at the EPC data for properties where at least two EPCs exist showed that up to 62% of EPCs may have some sort of error (where a feature that was very unlikely to have changed e.g. end of terrace/semi-detached or solid wall/cavity wall) was recorded differently. - *Hardy, A., and Glew, D. "An analysis of errors in the Energy Performance certificate database." Energy policy 129 (2019)*
- A study conducted a 'mystery shop' of a small number of properties. Using four companies in each property they found inconsistencies between the assessments with the most common being insulation efficiency and total floor area. - *Jenkins, D., et al. "Investigating the consistency and quality of EPC ratings and assessments." Energy 138 (2017)*

We have no evidence in Suffolk, but it has been suggested EPC assessors can be “influenced” for a better EPC outcome. The typical cost of an EPC is £65.00 so profit margins for assessors is low. With works costing potentially thousands then the opportunity exists for owners to influence the assessor. Ensuring EPC’s can be robustly checked to prevent this happening as the bar is raised to C.

17. Is there any additional information or evidence you would like to provide on either the effectiveness of the existing PRS regulations 2015 and guidance, or interactions with other policies?

MEES Legislation crosses Trading Standards and Tier 2 Local Authority. Take the opportunity to harmonise MEES enforcement for Tier 1 and Tier 2. For example – advertising a property with no EPC is Tier 1 (Trading standards) only.

MEES – make it a requirement to Display the full EPC, reference number and address on the advert for a property so the prospective purchaser / tenant can find the actual EPC on the national register (and check it is the correct one)

If an EPC is rated as non compliant – a requirement for the assessor to add the contact details of the property owner / instructing company to the EPC (to aid LA enforcement and contacting the owner)