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BRIEFING PAPER JULY 2024

# A WARMER, FAIRER PRIVATE RENTED SECTOR

## HOW TO SECURE A FAIR, AFFORDABLE AND EFFECTIVE TRANSITION TO A HIGHER EFFICIENCY STANDARD IN ENGLAND AND WALES

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A higher efficiency standard in the private rented sector will improve the lives of millions of households living in cold, damp, inefficient homes. Improving all homes in the private rented sector to EPC C will reduce average bills by £300 a year and result in at least £0.2bn of annual bill savings in the NHS.<sup>1</sup> Capturing this opportunity requires comprehensive reform to tenants' rights, financial support and effective enforcement.

A fairer and higher quality private rented sector (PRS) is direly needed in England and Wales. Tenants face sky high rents, paying for homes that often fall well below the Decent Homes Standard, blighted by damp and mould. More than half of homes are below Energy Performance Certificate (EPC) of C, meaning renters pay more for their fuel bills than social and owner occupier homes. Therefore, it is no surprise that since 2010, fuel poverty rates fell from 16% to 9% in owner occupier homes and from 16% to 15% in social homes, but increased from 19% to 24% in the PRS.<sup>2</sup>

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<sup>1</sup> £300 a year based on UK Gov, **English Housing Survey** and Cornwall Insight, **October Price Forecast**, £0.75 bn a year in NHS savings based on Building Research Establishment, **The cost of poor housing**

<sup>2</sup> UK government, April 2024, **Fuel poverty statistics**



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Integrated with improvements to renters' rights and broader homes investment, the government should introduce a package of support to implement and support delivery to raise the energy efficiency of the PRS. Decision making can be swift and surefooted because the previous government has already consulted on and conducted an impact assessment for implementation of a Minimum Energy Efficiency Standard (MEES) of EPC C.

Fair and effective change can only be delivered with an holistic and pragmatic approach to policy design. This briefing sets out the primary considerations for how the government could regulate for an ambitious, fair, and effective programme of upgrades in the PRS:

- > Complete the programme of reform needed to strengthen renters' rights.
- > Financial support for landlords and tenants.
- > Build a meaningful framework to deliver and enforce the standard.

## Renters' rights

Raising energy efficiency in the PRS relies on stronger renters' rights, both to ensure tenants see the benefits of lower bills, and to mitigate against any risk that a drive to insulate the PRS negatively affects tenants. Renting privately is highly precarious due to the imbalance between renters' rights and landlords' powers, this should be righted as soon as possible through implementation of an improved version of the 2023 Renters Reform Bill (the Bill). This Bill originated from the 2019 Conservative manifesto to promise a better deal for renters, however, passage through parliament only began in May 2023 and after reaching its final stages in April 2024 it was not passed into law due to the election.

Tenants who live in precarious lets characterised by no-fault evictions and rent rises may never see the long-term benefits of well-insulated homes. Secure tenure, fair rents and a more professional sector will ensure tenants have the choice to stay in warmer homes for longer and ensure bill savings are not lost on above-market rent rises. Insulating homes increases their market value and may require tenants to move out to conduct works. Therefore, security of tenure and a fair approach to rent increases will ensure tenants are better protected.

Although the Bill did advance some improvements, it missed out on key reforms which undermine its potential to deliver deeper improvements to renters' rights. The two most important areas for improvement in the PRS; security of tenure and rent increases, were not tackled.



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Table 1 identifies 8 key areas of renters' reform which interact with improving efficiency in the PRS (not exhaustive). The table outlines how the Bill attempts to address each issue, evaluates how effective any proposed changes will be, identifies how the issue relates to PRS efficiency improvements and suggests amendments to the Bill. The review shows there are several gaps in the draft bill which need to be addressed to effectively and fairly insulate PRS homes.

No-fault evictions, rent increases and grounds for repossession can help to ensure efficiency improvements are not undertaken at the detriment of tenants. Both the property portal and landlord Ombudsman are crucial components of effectively enforcing and delivering PRS efficiency improvements. Finally, there are helpful synergies between PRS efficiency improvements and standards relating to damp, mould, safety, and overcrowding (the Decent Homes Standard (DHS) and Awaab's law).

#### **Next steps on the Renters Reform Bill**

Fast implementation of the Bill after the 2024 General Election would bring some benefits to renters this year, but a more comprehensive approach could vastly improve the sector in the long term. The Bill that fell when Parliament was dissolved failed to introduce a timeline for the removal of Section 21 evictions, or to take a stronger approach on rent increases, and it leaves out crucial detail on enforcement. Failing to truly resolve these issues will continue to leave renters with precarious living conditions and damage the effective and fair enforcement of both the DHS, and a new minimum efficiency standard in the PRS.

Assessing the Bill could also allow the government to include new efficiency standards in the Bill. This could aid implementation by packaging all new requirements in one law and helping to integrate efficiency standards with the other improvements to the PRS, e.g., enforcement of the DHS. This way, the MEES regulations could be tied to broader enforcement of new standards and help landlords to consider making improvements to meet multiple new standards simultaneously. Whether the details of a higher efficiency standard could be included depends on how quickly the policy could be evaluated.<sup>3</sup>

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<sup>3</sup> An impact assessment and consultation on the policy was conducted by the previous government, so evidence and stakeholder views are already available to government.



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Table 1. Status of core PRS issues in the draft Bill and intersection with energy efficiency. Resource and enforcement are in the next chapter.

| Implementation in the Bill  | E3G evaluation   | Link to efficiency standards   | Action needed   |
|---|--|--|---|
| <p><b>No-fault eviction</b><br/>End to Section 21 (S21) no fault evictions depends on court reform. The government did not publish evidence on court backlogs.</p>  | <p>S21 must be removed and replaced with a fairer process to repossess a home; the bill fails on both counts. The extent of court backlogs making S21 infeasible is unclear while evidence has not been published.</p>   | <p>If an eligible PRS household was upgraded with public subsidy the landlord could subsequently evict the tenants and remarket at a premium. S21 requires EPC paperwork, which is a substantial incentive to comply.</p>  | <p>If backlogs make S21 implementation infeasible, the Bill should commit in law to a strategy to reduce the backlog. If not, S21 should be ended and replaced with a fairer process.</p> |
| <p><b>Rent increases</b><br/>Tenants can challenge above-market rent increases through tribunal. There are limited provisions to make rent rises fairer for tenants and leaves them open as a backdoor for eviction. Landlords can raise rents annually to market prices and must provide 2 months' notice.</p> | <p>Determining the market value of a rental property is not simple, and the Bill does not explain what evidence the tribunal would use to adjudicate. There is a risk a tribunal could justify a higher increase than suggested. Limiting increases to the lower of wage growth/Consumer Prices Index is fairer.</p> | <p>A rent tribunal will take an improved EPC into account, which it could use to justify an increase in rent, therefore, a fair system to review PRS rent increases is needed. If S21 was abolished, rent increases could be a backdoor to eviction after a landlord has made efficiency improvements.</p> | <p>The government should carry forward the PRS Commission's recommendation to limit increases to the lower of local wage growth or Consumer Prices Index.</p>                             |
| <p><b>Decent Homes Standard in the PRS</b><br/>Applies the DHS to the PRS, (including Temporary Accommodation (TA)).</p>  | <p>The Bill must resource enforcement, an approach reliance on fines to raise revenue is not reliable. Currently, TA is in scope, there is a risk this could worsen the existing shortage of TA.</p>   | <p>PRS homes non-compliant with the DHS and efficiency standards could be upgraded to meet both standards to reduce costs for landlords and disruption for tenants. Clear communication on both is needed.</p>   | <p>DHS enforcement will require resource, supported by a statutory duty. More social housing and LA owned TA is needed to mitigate risks with enforcing the DHS in this sector.</p>       |
| <p><b>Landlord repossession</b><br/>Introduces more comprehensive grounds to repossess a property</p>   | <p>The Bill makes additional provisions for landlords to be able to repossess</p>  | <p>MEES requirements should be designed to avoid creating perverse</p>   | <p>Grounds for repossession need to be counterbalanced by a 4-</p>  |



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|---|--|--|---|
| <p>where the tenant is not at fault, a 6-month window where a landlord cannot relet after applying for repossession (including as a short term let) and cannot use this in the first 6 months of a tenancy.</p> | <p>properties and goes some way to ensuring this does not become a backdoor to S21 evictions. The time which tenants have once served a repossession is relatively short, and still allows short, 6-month tenancies.</p> | <p>incentives for landlords to repossess the property to relet at a higher rate. A backstop date for homes to be improved by could require repossession, whether this is necessary should be considered.</p>             | <p>month eviction window (not 2 months) and more safeguards to ensure this does not replicate S21 (e.g., a financial incentive and clarity on the definition of anti-social behaviour).</p> |
| <p><b>Property portal</b><br/>Has legislated for a Property Portal.</p>   | <p>The Bill does not set out in legislation what landlords will be required to upload to the portal.</p>   | <p>Energy Performance Certificate (EPC) information must be available on the portal.</p>   | <p>Require landlords to display key information, e.g., eviction notices, EPC.</p>   |
| <p><b>Landlord ombudsman</b><br/>Enables the government to approve a redress scheme, delivered by a new PRS Ombudsman.</p>  | <p>To be effective the Ombudsman must have the appropriate set of powers to effectively and efficiently tackle poor-performing landlords and prevent reoccurrence of issues.</p>   | <p>An effective Ombudsman will allow renters to seek redress more easily, which will incentivise landlords to work preventatively not reactively. This could include raising issues with efficiency, damp and mould.</p> | <p>Expand Housing Ombudsman Service's remit and increase its resourcing accordingly. Clarity is needed on how it will interact with complaints to the Local Housing Association.</p>        |
| <p><b>Awaab's Law</b><br/>The Bill does not make provision to apply Awaab's Law in the PRS.</p>   | <p>Awaab's Law guarantees landlord action on timescales not guaranteed by the DHS. This divides standards between social and private renting.</p>  | <p>Inefficient homes are often blighted by damp and mould. Stronger provisions via Awaab's law gives landlords a dual incentive to act.</p>  | <p>Awaab's Law should be included in the Bill.</p>  |
| <p><b>Landlord discrimination</b><br/>It is illegal for to ban renting to families with children or those in receipt of benefits.</p>   | <p>In practice, difficult to enforce as evidence of discrimination is not easy to identify and local authorities have limited enforcement capacity.</p>  | <p>If PRS homes' efficiency is upgraded, prospective tenants should not be discriminated against in accessing upgraded homes.</p>  | <p>Local Housing Allowance should be uprated annually and vulnerable renters should have access to local authority support</p>  |



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## Financial support for upgrades

Landlords will need a package of financial support to make upgrades. As part of the government's investment in warm homes, grants should be available to provide partial support to landlords with low-income tenants, enable landlords to undertake works via loans, and incentivise action through targeted tax breaks.

### **Improve PRS access to grant programmes**

Low-income households living in the private rented sector struggle to access existing energy efficiency grants. Despite representing 20% of households in the UK, PRS homes receive 14% of upgrades under the main fuel poverty programme – Energy Company Obligation 4 (ECO4). If a new efficiency standard was introduced, grants will have an important role in some areas, however, grants will not always be essential or represent the best use of public funds.

Low take-up is explained by the imbalance between renters' rights, and design and delivery issues with the grant schemes. Tenants often regard asking their landlord for permission to apply for grant schemes as risky, for fear of being perceived as problematic or because upgrades make homes worth more, leading to eviction or rent increases. With stronger renters' rights, such as, ending Section 21 and empowering renters to seek repayment orders, the perceived and real risk renters face by asking for efficiency upgrades will be reduced.

Meanwhile, locally led schemes have been short term and inconsistent, meaning it is difficult for delivery partners to do long term community engagement to build awareness and understanding among renters and landlords.<sup>4</sup> One of the largest barriers to grant uptake in the PRS is poor awareness; polling of renters found 35% were unaware of grants and 21% said they didn't know what improvements were needed.<sup>5</sup> If authorities are not certain grant funding will continue, they cannot invest in ancillary roles that support engagement, like door knocking, open houses to the community and mixed tenure engagement.

There is currently no provision to stop landlords from evicting low-income tenants after receiving public subsidy from government schemes, and subsequently reletting the home at a higher rate. Conditions could be attached to PRS grant funding, for example, if a landlord repossesses the home within a year after the works, they pay the subsidy back in full.

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<sup>4</sup> E3G, July 2023, **Enabling locally led retrofit**

<sup>5</sup> Generation Rent, August 2023, **Written evidence submitted by Generation Rent**



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### **Concessional loan scheme**

Internationally, government backed zero- or low-interest loans for consumers have proved to be a useful tool to help people access home upgrades with high upfront costs and longer payback times.<sup>6</sup> A concessional home upgrade loan scheme (designed with both landlords and owner occupiers in mind) should be rolled out in the UK concurrently with implementation of MEES EPC C in the PRS.

PRS landlords typically have greater financial wealth than both owner occupiers and the general adult population, with over a quarter (26%) holding £70,000 or more.<sup>7</sup> Therefore, landlords may prefer to use savings rather than take out a loan, especially if the interest rate is above 0. The demand for loan schemes delivered between local authorities and private providers has been low, however, a new minimum standard in the PRS could change decision making. Taking lessons from the failure of the 2015 Green Deal, the role of a loan scheme will need to be assessed and pilot rapidly rolled out in the first 100 days of office.

### **Tax change to incentivise upgrades**

There is evidence that tax deductibility could play an important role in making investments affordable and thereby incentivise early action. Research from the National Residential Landlord Association found that 72% of landlords who were not planning to make investments to improve their property in the next two years would reconsider with a change to tax deductibility rules.<sup>8</sup> Other countries have introduced tax incentives and green loans to support higher standards. In France, landlords subtract costs from their income revenues up to €21,400/yr.

Individual landlords pay income tax on their rental properties at the same rates of tax as other earned income. Before they work out how much they will be taxed, landlords may deduct costs of managing the property, e.g., legal fees and maintenance. The current system does not allow improvements to be deducted in the year they occur, instead they are offset against capital gains tax when the property is sold. E3G suggest a new allowance should be made for energy efficiency improvements to be offset against rental income, and therefore income tax. Enabling landlords to see a tax reduction in-year could help make investment more attractive for landlords. Income tax is slightly higher than capital gains tax, so results in a slight reduction in the overall tax take for the treasury, amounting to an 8% loss in revenue, or around £1.2bn in sum.<sup>9</sup>

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<sup>6</sup> E3G, July 2023, **Incentivising energy efficiency improvements for renters**

<sup>7</sup> UK government, September 2020, **Do house prices and rents in the PRS reflect energy efficiency levels?**

<sup>8</sup> National Landlords Association and Residential Landlords Association, February 2020, **Budget 2020**

<sup>9</sup> E3G, July 2023, **Incentivising energy efficiency improvements for private renters**



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## Implementation of a higher efficiency standard

The previous government's attempt to ban new lettings below EPC C failed because policy to support implementation was absent and the issue became unnecessarily politicised. Alongside comprehensive reform to renters' rights, a package of measures to support delivery, and the right technical requirements supporting it are crucial. The following section discusses the options for implementing a new minimum standard of efficiency in the PRS, particularly outlining the different levers which the government will have available to make implementation effective, fair and affordable.

### Timeline and scope of delivery

The government should design a timeline and scope for delivery that reflects the need for improvement in the PRS, the changed economic landscape, and capacity of local supply chains. The previous target for MEES EPC C was split between new tenancies (2025) and old tenancies (2028 backstop). Table 2 outlines the key factors which the government will consider when designing the regulation. These details show the scope should be maintained at MEES EPC C or equivalent. An intermediary target of MEES EPC D is likely to only delay action.

Table 2. Factors for consideration when designing the timeline and scope of MEES EPC C.

| Factor                                   | Comment   |
|--|---|
| Distribution of homes requiring upgrades | The government will select a minimum standard, options are considered below, for the purpose of demonstration EPC C is used here. Of the 2.8 million PRS homes below EPC C, the majority, 78%, are EPC D homes, 14% and 8% are F or G. Therefore, many homes will not require a significant upgrade to meet EPC C. <sup>10</sup> The previous regulation aimed to increase MEES from EPC E to C, skipping D. An intermediary target of EPC D would have limited impact on the sector, and likely mean EPC E, F or G homes undertake two sets of upgrades to D, then to C. |
| Length of tenancy                        | If implementation was split with an initial ban on new tenancies below standard, followed by a ban on old tenancies, the government will need to consider how this affects the number of homes which need to be improved per year. The number of homes improved is especially relevant for considering impacts on supply chains, and some local areas vulnerable to changes.  |
| Supply chain capacity                    | Current forecasts show the UK will fall short of training the 400,000 retrofit professionals needed to meet targets. <sup>11</sup> Recent public schemes have been  |

<sup>10</sup> UK government, September 2020, [Improving the Energy Performance of Privately Rented Homes](#)

<sup>11</sup> Ashden, 2024, [Retrofit: Solving the skills crisis](#)

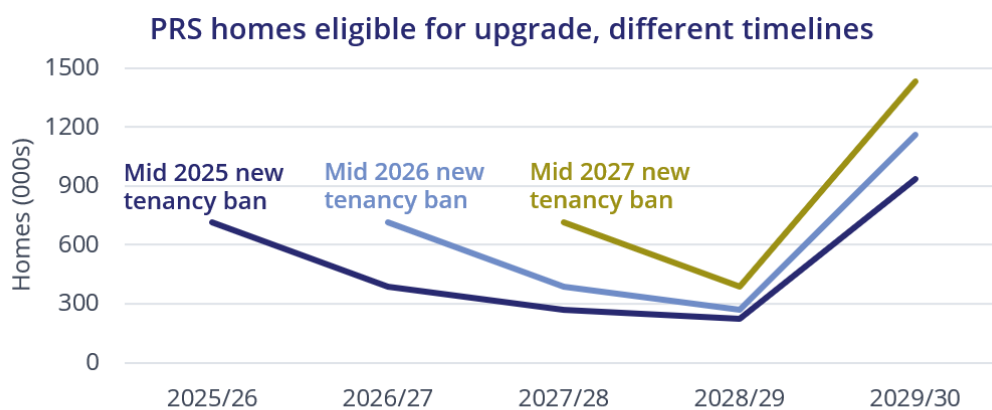




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|                           | stymied by a shortage of qualified local suppliers. <sup>12</sup> Therefore, the timeline should avoid cliff edges which cause spikes in demand, leading to higher prices and bottlenecks.   |
| Different social outcomes | The policy has very different impacts on social groups. For example, more homes rented by younger tenants will be improved early in the policy, while homes rented by older age groups will predominantly be improved at the backstop. <sup>13</sup> |

Figure 1 shows banning new tenancies earlier in the parliament distributes upgrades more evenly and reduces the final number to upgrade in 2030. Spikes in demand should be minimised; they disrupt supply chains, which will affect wider home upgrades and increase prices. Government should aim to increase demand in the middle of parliament and even out demand by improving low-income grant schemes' capability to work in the PRS and enforcement to expedite improvements to homes which do not meet EPC E or the DHS.



Source: E3G analysis and English Housing Survey 2022 to 2023 and 2021 to 2022



Figure 1. Homes eligible for upgrades under 3 timelines for banning homes below EPC C

### Create a safety net to ensure a new efficiency standard is delivered fairly

The private rented sector sits at the heart of the UK's housing crisis, and new regulations could have limited impacts on the PRS market in certain regions, for example, if rents are pushed up because of new requirements. Implementation of new regulations for the PRS, should be mindful of the challenges the sector faces, and design policy that creates a safety net for local areas which are particularly vulnerable, and meets multiple policy objectives.

<sup>12</sup> E3G, July 2023, **Enabling locally led retrofit**

<sup>13</sup> UK government, July 2023, **English Housing Survey 2021 to 2022: Private rented sector**



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There are deep seated problems in the PRS, such as, high barriers to move from the sector to social housing or private ownership, and an increasing divide between the amount renters are paid, and how much landlords can charge for rent.<sup>14</sup> Meanwhile, the number of people living in Temporary Accommodation (TA) doubled over the decade from 2013 to 2023. TA is often insecure, poor quality and inappropriate to live in.<sup>15</sup> Alleviating these problems will rely on broader improvements in macroeconomic trends and successful housing policy.

**Policy to ensure a new minimum efficiency standard is implemented fairly**

Research has demonstrated that tightening regulations in the PRS, such as energy efficiency, do not have a material impacts on PRS markets.<sup>16</sup> Other research shows overall house building is a larger determinant of rents than the availability of PRS accommodation.<sup>17</sup> However, there is some evidence to suggest that some local areas with high levels of deprivation and poor quality TA may be negatively affected by a new efficiency standard.

Poor quality TA likely to have low property value could be sold by landlords in response to new regulations. This could have a disproportionate negative impact on rents and housing availability for the most vulnerable members of society. The Joseph Rowntree Foundation suggest targeted national and local policy could mitigate this risk and that acquiring TA could be used an effective tool to relieve pressure in the PRS. In the context of implementing new regulations on the quality of the PRS, acquisition could be a useful tool to ensure the overall TA stock does not decline and while improving it.

Targeted acquisition of TA would achieve a set of objectives, it would, lower housing costs for local authorities, outcompete private drive-ups and return these homes to the ‘traditional’ housing market, and drive up standards in the sector. Supported by a mix of public and private investment, local housing associations would identify TA ‘hotspots’, and purchase, retrofit and let homes at more affordable levels. An equity stake of £750m could reduce demand for expensive nightly providers by 33–50% and achieve annual savings to the benefit system of between £26.4m and £52.8m.

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<sup>14</sup> Resolution Foundation, April 2024, **Through the roof**

<sup>15</sup> Shelter, March 2023, **Still living in limbo: Why the use of temporary accommodation must end**

<sup>16</sup> JRF, April 2017, **Regulation of the private rented sector in England**

<sup>17</sup> Generation Rent, 2024, Private briefing



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### **Enforcing standards**

Enforcing the existing PRS standard of MEES EPC E is currently poor, and implementation of the Bill and a higher efficiency standard will require a major improvement to enforcement. The Bill introduces two new mechanisms to help with enforcement of new standards; the property portal and Ombudsman. Both will be crucial to drive up PRS standards. However, without also delivering sufficient capacity for authorities to undertake proactive enforcement and providing meaningful incentives for renters to highlight non-compliance, new standards will be implemented slowly and partially.

### **Local authority monitoring and enforcement of PRS standards**

Local authority enforcement in the PRS is currently reactive rather than proactive, inconsistent, and action is stymied by low capacity.<sup>18</sup> There are some examples of good practice, however, the constrained financial situation which most authorities find themselves in means they do not allocate resource to proactively monitor and enforce existing standards. The powers which authorities have could be more than sufficient to enforce standards in the PRS.<sup>19</sup>

To improve local authority enforcement in the PRS, and support rollout of a new efficiency standard, the government should balance active engagement with landlords, with local authority enforcement, and increased rights and incentives for tenants to force their landlord to comply. The example of Rent Smart Wales (RSW) could be a model for delivering a new enforcement programme. RSW's administers the process of landlord registrations, issuing licences and enforcing standards. Landlords are only granted license once they have met conditions and once it can be demonstrated they are informed on their legal responsibilities.

### **New funding to support sustained local authority led engagement**

The government should review existing local statutory duties to determine if they can be adjusted to take a preventative rather than retaliatory approach, supported by more revenue funding. Existing duties have a narrow focus to reactive action while resources are tightened. Proactive enforcement could be encouraged by setting annual targets. Revenue funding for authorities to recruit staff to fulfil this additional work is essential, funding could be topped up from fines, which are currently capped at £5k; they should be increased to £30k.

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<sup>18</sup> UK government, June 2022, **Local authority enforcement in the private rented sector: headline report**

<sup>19</sup> Ibid



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Reporting from authorities which have implemented a more preventative approach to PRS regulation finds that under the current system a vanishingly small number of cases result in a fine; in 2023/24 Islington Borough Council (which has a proactive approach to PRS enforcement) issued only 6 fines amounting to £14,500. Therefore, there is a risk that funding enforcement through fines would be insufficient and would be particularly problematic for authorities with the least capacity to begin work.

Local authorities need a clear structure which delineates what they are responsible for, and what the Ombudsman will be responsible for. Guidance should be released in advance of implementation of the new Ombudsman, with a focus on how more proactive enforcement can avoid the 'last resort' of the appealing to the Ombudsman.

#### **Tenant enforcement**

Tenants can already appeal to their local authority if their home is non-compliant, for example, leasing a property without a House of Multiple Occupation license can result in a rent repayment order (RRO). In some cases, enabling tenants to seek RROs could be an effective incentive for landlords to make homes MEES compliant. However, 38% of private renters experiencing damp, mould or excessive cold didn't complain to their landlord.<sup>20</sup> Of that group, 18% and 31% were afraid to complain due to eviction or rent increases respectively, and Citizens Advice help around 180 people a month with retaliatory evictions after asking for repairs to be done in their homes. Tenants could help highlight non-compliance but should not be the main arm for MEES enforcement.

#### **Cost cap, exemptions and measuring upgrades**

These three factors will determine the investment required per home. The 2020 MEES Impact Assessment found that upgrading PRS homes to EPC C with a £10,000 cost cap, would cost, on average, £4,700 a home (2018 prices) although the distribution of costs per property are high.<sup>21</sup>

Since the Impact Assessment, inflation and the sharp impact of the pandemic and invasion of Ukraine has increased the cost of home upgrades. For example, the assessment found that under a £10,000 cost cap, over a million solid walls could be insulated. Assessment of recent government energy efficiency schemes indicates it would be challenging to meet that target under a £10,000 cost cap.

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<sup>20</sup> Citizens Advice, February 2023, **Damp, cold and full of mould**

<sup>21</sup> UK government, September 2020, **Improving the Energy Performance of Privately Rented Homes**



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Therefore, the government should update the impact assessment to assess what cost cap achieves a Net Present Value according to Treasury Green Book analysis.

EPCs have been criticised by experts for being inaccurate, and a poor measure of fabric efficiency or to consider new technologies needed to reach net zero.<sup>22</sup> The government consulted on EPCs in 2021, so the government has the evidence and guidance from the sector to make a decisive improvement. Government could assess an alternative approach to MEES, based on measures installed in the home (e.g., thickness of loft insulation, wall insulation, double glazing).<sup>23</sup>

### **Installation standards**

English grant-funded insulation schemes require installers to comply with PAS 2030 and 2035. The previous MEES EPC C regulation did not require PAS. These standards aim to improve the quality of home upgrades and reduce the risk that poor installation causes damp and mould.<sup>24</sup> Quality works is crucial for consumer confidence and to achieve the best outcome for each home. However, standards have increased the cost and length of works.<sup>25</sup> The last government was in the process of reviewing the schemes with the Retrofit Standards Task Group, this review should be finished to understand if it should be applied to PRS upgrades.

### **Active awareness and engagement**

In partnership with local authorities, the government should launch a national advertising campaign to raise awareness of changes with landlords, and support authorities to undertake active awareness and engagement in their local areas. The recent national government advertising drive for the English Boiler Upgrade Scheme has helped to increase uptake, demonstrating how a positive advertising campaign can be used to support rollout of energy efficiency improvements in homes. An equivalent campaign for the PRS could focus on the positive benefits of energy efficiency for tenants and landlords, while communicating deadlines.

Local authorities like Cornwall Unitary Authority and Islington Borough Council have undertaken proactive engagement strategies with landlords. Feedback from these authorities shows once landlords are engaged, punitive measures like fines are rarely necessary. These campaigns rely on cross-council coordination, between housing teams and trading standards, which in turn, rely on revenue.

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<sup>22</sup> Catapult, September 2023, **Energy Performance Certificates (EPCs): the case for change**

<sup>23</sup> Scottish government, November 2023, **Delivering net zero for Scotland's buildings - Heat in Buildings Bill**

<sup>24</sup> UK government, December 2016, **Each Home Counts**

<sup>25</sup> E3G, March 2024, **The future of the Energy Company Obligation**



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## About E3G

E3G is an independent climate change think tank with a global outlook. We work on the frontier of the climate landscape, tackling the barriers and advancing the solutions to a safe climate. Our goal is to translate climate politics, economics and policies into action.

E3G builds broad-based coalitions to deliver a safe climate, working closely with like-minded partners in government, politics, civil society, science, the media, public interest foundations and elsewhere to leverage change.

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