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# HOW TO IMPROVE LIVING STANDARDS FOR MILLIONS OF PRIVATE RENTERS IN ENGLAND AND WALES

## DESIGN FOR A FAIR AND EFFECTIVE ENFORCEMENT STRATEGY

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Millions of private renters live in some of the UK's poorest quality homes, dealing with damp and cold, and paying high energy bills. For these renters to feel the benefit of both stronger renters' rights and new energy efficiency standards, the government will need to fund and reform the existing system for enforcing standards in the Private Rented Sector (PRS).

Enforcement of existing standards is undermined by underfunding in councils' housing standards teams, weak and fragmented legislation, inaccurate data and restrictions accessing it, which combine to leave many tenants out in the cold. Failing to build an effective approach to enforcing standards in the PRS will mean renters will not see a material improvement in their living conditions or a fall in their energy bills this parliament.

We set out 5 policies to significantly improve enforcement of existing and new PRS standards. These recommendations are based on interviews with 30 stakeholders working on the front line of enforcing standards in the PRS at national and local levels.

The interviews revealed a consistent story of professionals working to the best of their ability with limited funding and resources to fully apply the law. They emphasised the volume of poor-quality homes which the new standards will improve in their local area, but that funding a more effective enforcement framework will be crucial to implement standards.



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## 5 policies to improve enforcement of standards in the Private Rented Sector

To make implementation simpler for landlords, tenants and councils, decency and energy efficiency standards should be considered jointly.

1. Introduce a mandatory English national landlord register and clarify the role of Rent Smart Wales.
2. Fund the custodians of local standards via a flat fee levied when a new property is listed on the national landlord register.
3. Reform legislation to simplify and tighten the options for local enforcement of noncompliant PRS homes.
4. Commit to a 5-year strategy for grant support for landlords with low-income tenants and solutions for retrofitting apartment blocks.
5. Empower tenants to take action and close loopholes which leave tenants vulnerable when landlords make property improvements.

## Existing standards in the private rented sector

**Standards are rarely enforced in both England and Wales;** as a result, hundreds of thousands of homes rented out in the PRS are indecent to live in and expensive to heat.

- > In 2023 in England and Wales, more than 140,000 privately rented homes had an EPC of F or G, or 2.7% of all rented homes.<sup>1</sup> Upgrading the over 2.8 million homes in England and Wales that have an EPC below “C” will save tenants on average £240 a year in energy bills.<sup>2</sup>
- > While fuel poverty rates in England have been falling in owner occupier homes and social rent homes since 2010, in the PRS, fuel poverty *increased* from 19% to 24%.<sup>3</sup>
- > 13% or 620,000 rented homes in England also fall foul of the HHSRS assessment.<sup>4</sup>

<sup>1</sup> UK government, December 2023, **English Housing Survey 2022 to 2023: headline report**

<sup>2</sup> UK government, 13 December 2023, **English Housing Survey 2022 to 2023: headline report**

<sup>3</sup> UK government, April 2024, **Fuel poverty statistics**

<sup>4</sup> Data is not available for Wales. BRE, 2023, **The cost of poor housing in England by tenure**



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**The PRS is also notoriously insecure after a legacy of weak renters' rights.** Low-income groups, particularly women and migrants are the worst affected by poor standards and discrimination in the sector. The Renters Rights Bill is intended to deliver more secure and stable tenure to millions of tenants, but can only do so with a new system of enforcing it at the national and local levels.

### Key themes from our research<sup>5</sup>

- > Local council environmental health teams have the skills needed to engage and prosecute rogue landlords, but resource drastically constrains them.
- > Legislation pertaining to home decency is powerful. By comparison, energy efficiency legislation is weak and unattractive for councils to use.
- > Datasets used to identify substandard homes are inaccurate and inaccessible.
- > Retrofit support, both financial and advisory, is incomplete. There are challenges retrofitting apartment buildings and converted flats.
- > Tenants are afraid to challenge landlords, and increased confidence and protection following the 2024 Renters Rights Bill will take time to bed in.

## Fix the foundations to raise standards in the PRS

Based on our findings, we set out 5 policies to significantly improve enforcement of existing and new PRS standards.<sup>6</sup> To make implementation simpler for landlords, tenants and councils, decency and energy efficiency standards should be considered jointly. Our approach aims to maximise voluntary compliance while ensuring unaware or non-compliant landlords are engaged and if necessary prosecuted by professionals with detailed knowledge of housing in their area.

### **1. Introduce a mandatory English national landlord register and ensure Rent Smart Wales is an effective partner to local enforcement**

In England, a mandatory national landlord register will encourage voluntary compliance, and give councils data to identify and engage non-compliant

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<sup>5</sup> For full details of our research, see the full report at E3G, 2025, **Improving living standards for millions of private renters in England and Wales**

<sup>6</sup> See the full report for detailed recommendations to support each of these policies.



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landlords. A register can be used to levy a consistent revenue source for enforcement. The register should be introduced as soon as feasible.

The register should be administered nationally but integrated with existing national and regional landlord registers and licensing schemes, and made fully accessible by councils for enforcement. Saturating the database should be the first priority, with a threat or incentive to drive registrations; requirements to register a property could be flexible initially.

In Wales, it is unclear where responsibilities for enforcing PRS standards lie between Rent Smart Wales and local councils following recent changes to the Renting Homes (Wales) Act 2016. This should be clarified, putting responsibility for enforcement with councils, while Rent Smart Wales focuses on data analysis, nationwide awareness raising campaigns and sharing best practice.

## **2. Fund the custodians of local standards via a flat fee levied when a new property is listed on the national landlord register**

The main blocker to effective local enforcement is funding. Therefore, revenue should be raised via the national register.

For a 4-year licence, E3G suggests a minimum levy of £200 per property: £150 for local enforcement and £50 to fund the national register.<sup>7</sup> Landlords should also pay a £100 fee when they submit a property to the Minimum Energy Efficiency Standards (MEES) 2015 exemption register.

If government provides new revenue for councils to enforce PRS standards, government should clarify and strengthen councils' statutory duty on MEES and provide training on how to deliver MEES.

## **3. Reform legislation to simplify and tighten the options for local enforcement against non-compliant PRS homes**

Stronger and more consistent legislation is needed to help local enforcement create a deterrent and prosecute rogue landlords where necessary. Some adjustments are already set out in the 2024 EPC consultation and the 2025 MEES consultation; E3G broadly supports the proposals. Additional consideration should be given to how responsibility for enforcing standards can be streamlined, and how the exemption register can be strengthened.

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<sup>7</sup> E3G estimated the revenue needed using insights from stakeholders combined with officers' salaries, and English Housing Survey data. The cost of running Rent Smart Wales was used to estimate admin costs.



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#### **4. Commit to a 5-year strategy for grant support for landlords with low-income tenants and solutions for retrofitting apartment blocks**

The governments in England and Wales must set out a strategy which will help landlords and supply chains plan investment, leverage economies of scale and navigate complex home improvements. In the strategy, government should send a clear message to landlords about how support will adapt and evolve up to 2030, and set out a package of finance, advice and support for landlords.

The strategy needs to be grounded in understanding of how councils with established retrofit programmes could identify areas with high concentrations of PRS homes and undertake area-based retrofits.

Key elements to introduce are:

- > National support to help all landlords pay for upgrades in both England and Wales. This should include a low-interest loan for home upgrades and a grant for enabling works which might need to accompany installation of an air source heat pump.
- > In Wales, new funding to replace the flagship council-led retrofit scheme that closed in 2022. This will enable Welsh councils to develop local retrofit schemes which are accessible to landlords with low-income tenants.

#### **5. Empower tenants to take action and close loopholes which leave tenants vulnerable when landlords make property improvements**

While the national landlord register and strong local enforcement should be the main policies for enforcing higher standards in the PRS, tenants should be able to hold landlords to account, and be protected from unfair evictions via rent rises.

For most tenants, successfully levying a Rent Repayment Order (RRO) against a landlord will not be an option. However, introducing RROs for homes that fall below MEES could encourage compliance if landlords understand there is a risk that tenants could recoup rents for below-standard homes.

Government can protect tenants from in-tenancy rent increases by capping increases to the lower of CPI inflation or wage growth. Additionally, to ensure low-income tenants feel the economic benefit of more affordable heating, the government should take precautions to protect tenants who access grants for home upgrades.



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## About E3G

E3G is an independent think tank working to deliver a safe climate for all.

We drive systemic action on climate by identifying barriers and constructing coalitions to advance the solutions needed. We create spaces for honest dialogue, and help guide governments, businesses and the public on how to deliver change at the pace the planet demands.

More information is available at [www.e3g.org](http://www.e3g.org)

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