



# **Minimum standard of energy efficiency for private rented homes**

**Secretary of State for Energy and Climate, Chris Huhne, recently announced changes to the Energy Bill to include a new law introducing a minimum energy efficiency standard for homes rented from a landlord or lettings agency from 2018.**

There are over 3.4 million households renting privately in England – over 15% of the housing stock. Rented homes include a large number of households in fuel poverty; many are so cold and poorly insulated they are a health hazard and cost a huge amount to heat. In the very worst insulated and poorly heated rented homes (just under 700,000 rented homes in England have an Energy Efficiency Rating of F and G) over 40% of households live in fuel poverty.

The Secretary of State, Chris Huhne, recently announced that it will become illegal from 2018 for a landlord to let a home with these lowest energy efficiency ratings. He also announced the introduction of measures from 2016 to allow councils and tenants to demand energy efficiency measures from landlords.

This is the result of a high-profile campaign by a wide coalition of almost 40 health and consumer organisations, green groups, children's charities, councils and grassroots tenants' rights groups, led by Friends of the Earth. The coalition includes Citizens Advice, Crisis, Consumer Focus, Age UK and the Association for the Conservation of Energy.

The campaign had huge support in parliament with 179 MPs from across the political spectrum signing a parliamentary petition (Early Day Motion 653) calling for a minimum energy efficiency standard from 2016. The Fuel Poverty Advisory Group, The Mayor of London, the CBI and the Committee on Climate Change also called for an energy efficiency standard for rented homes.

A new law to ensure rented homes meet a basic standard of insulation and heating could be a significant step forward. It would protect thousands of vulnerable families from fuel poverty and high energy bills, and bring health benefits for those tenants currently living in cold homes.

The Government's position that it is unacceptable to rent out dangerously cold and draughty homes is welcome. Landlords will have to improve these properties or face prosecution. Research by the Energy Saving Trust shows tenants living in these homes would reduce their annual energy bill by an average of £488 if improvements are made, saving 1.87 million tonnes of carbon dioxide every year.

**Without further important changes the legislation will still fall short of its potential and unfortunately could even contain a sting in the tail for vulnerable tenants.**

All the benefits of the minimum standard for tenants, the climate and the taxpayer will be unacceptably delayed if the introduction of the minimum standard is pushed back from 2016, as 179 MPs have demanded, to 2018. Seven years is an unnecessarily long time to wait for the introduction of the minimum standard. In fact, the Government's proposed 2018 start date is actually two years after the current target to end fuel poverty! **The minimum energy efficiency standard must start in 2016.**

Secondly, tenants demanding energy efficiency measures from landlords must be given proper legal protection from eviction. This is already the case if the landlord fails to place the tenant's deposit safely in a proper scheme. Work by Citizens Advice and others shows that fear of eviction is a barrier to many tenants asking for improvements and maintenance of rented properties. **The Energy Bill should be amended to ensure tenants who have properly requested that their landlord improve the energy efficiency of their home cannot be evicted on this basis.**

Consumer Focus has estimated that a minimum energy efficiency standard of band E for rented homes could lift 150,000 households out of fuel poverty. That would be good news for those households, but increasing the minimum standard to band D could double that number. **The Energy Bill should ensure the minimum standard will be increased over time, to permanently lift even more households out of fuel poverty and help meet carbon targets.**

Finally, the Government should look at how it can encourage landlords to act early to help households facing fuel poverty this winter, with an increased tax break for energy efficiency measures. **A register of landlords could give them better access to information about the new Green Deal and other help with improving their property. If a landlord refuses to improve a home to the minimum standard, councils should be able to carry out the work themselves and charge the landlord.**

If these changes are made and the law is sound, the minimum energy efficiency standard for rented homes will be a significant step forward. Importantly though, this is definitely not job done on fuel poverty.

Latest Government figures show there are 4.5 million households that can't afford to heat their homes. Millions will continue to live in homes so cold they make them ill and cost a fortune to heat. It is estimated there are 1.3 million children living in homes that are so difficult to keep warm, they are a health hazard.

That's why it is vital that, as well as the minimum energy efficiency standard, the Government includes the Warm Homes Amendment to the Energy Bill. This will ensure it produces a plan or strategy for the policies which will see sufficient homes insulated and made energy efficient to end fuel poverty and meet carbon targets.

For more information on the Warm Homes Amendment, see our briefing:

[www.foe.co.uk/resource/briefing\\_notes/warm\\_homes\\_amendment.pdf](http://www.foe.co.uk/resource/briefing_notes/warm_homes_amendment.pdf)

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