

Improving the Energy Performance of Privately Rented Homes

Written Submission from the Northern Housing Consortium

About us

The Northern Housing Consortium (NHC) is a membership organisation based in the North of England. We are the 'Voice of Housing in the North' working with both local authorities and housing associations to advance the cause of housing. Our membership covers over 95% of all Northern social housing providers. The NHC brings its members together to share ideas, and to represent their interests and to ensure they are heard at a regional and national government level.

Summary of key messages

We support the proposed target of EER C as a minimum energy performance standard in the private rented sector requiring 'new tenancies' to reach EER C from 1 April 2025 and 'all tenancies' to reach EER C by 1 April 2028, within a cost cap to £10,000. This is an ambitious target and will not be without challenge, but we feel strikes the best balance between cost, emissions savings and fuel poverty goals.

Reaching minimum energy efficiency standards will require much better use of existing data, or risk further increasing the burden on council resources at a time of limited capacity. We believe a national landlord registration database which should include details of the landlords, their properties, and the energy efficiency ratings is essential to professionalise the sector and to raise standards.

Landlord registration alongside licensing of the worst of the private rented sector and increased capacity for local authorities are vital prerequisites to increasing standards in this sector.

Introduction

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.

The NHC welcomes the proposals to strengthen targets for energy efficiency in the private rented sector. Our recent work with the All-Party Parliamentary Group for Housing in the North on standards in the private rented sector confirms that further impetus is needed to reduce carbon emissions in this sector without increasing the cost of heating for tenants. The APPG's Inquiry concluded that landlord registration alongside licensing of the worst of the

private rented sector and increased capacity for local authorities are vital prerequisites to increasing standards in this sector.¹

The size of the PRS sector in the North, currently 1.19m homes (just under 18% of all housing, for 1.25m households), is significant. We cannot predict the impact of this policy on landlords or the likelihood of them leaving the sector, but we believe that if new legislation is well managed and fair, it will not damage this important sector.

Evidence shows that the market for buy-to-let continues to be strong, particularly in the North of England. In November 2020 buy-to-let landlords made up 15% of buyers in the UK, the highest figure since December 2016, most likely taking advantage of the stamp duty holiday.

A strong demand for buy to let purchases in Northern England has been consistent due to lower property prices and higher yield and during November 2020, 18% of homes sold in both the North East and North West were bought by investors. Blackpool showed the highest buy-to-let investment with landlords making seven out of 10 agreed sales. St Helens in Merseyside showed 50% of property purchases were by investors, Liverpool (39%), and Calderdale in West Yorkshire (36%).²

This evidence indicates that the sector remains strong, despite tougher regulation. While we cannot predict the impact on landlords remaining in the sector in future years, we can foresee that the demand for rented accommodation will not abate, especially at the more affordable end of the market. Tenant demand has continued to rise in the three months to October 2020.³ In addition to continued demand in general, the private rented sector houses some of the most vulnerable tenants with 23% of people with a long-term illness or disability in the North living in non-decent private rented sector homes.⁴

To maintain the supply of lower-cost rented housing, we have proposed establishing a mechanism whereby the local authority or housing association landlords can acquire and convert lower-quality private rentals into an affordable social housing product.

It is currently very difficult for either local authorities or registered providers to resource neighbourhood improvement initiatives involving large-scale acquisition of poor-quality private rented properties. We are proposing a long-term solution to the supply of affordable rented housing through a Housing Quality Investment Fund.⁵ This would allow for wider improvements in housing quality and bring a new focus to raising the standards of the North's existing housing stock. This offers the opportunity for a post-Covid-19 stimulus package to introduce good quality, well paid jobs in retrofitting.

This type of stimulus would address broader neighbourhood issues and bring together social and private housing stock in areas with high levels of mixed tenure. Additionally, by on-boarding private sector stock in neighbourhoods into their programmes, the economies of

¹ No Home Left Behind: An Inquiry into standards in the North's PRS NHC for APPG Housing in the North October 2020

² <https://www.hamptons.co.uk/research/investors-race-to-complete-before-31st-march-2021/>

³ [RICS residential market survey October 2020](#)

⁴ The Hidden Cost of Poor Quality Housing in the North published 2019, Smith Institute

⁵ No Home Left Behind: An Inquiry into standards in the North's PRS NHC for APPG Housing in the North October 2020

scale available to the social housing sector could result in savings for retrofit costs and improve the viability of community-level interventions like heat networks.⁶

Question 2: Do you foresee any impacts for protected groups? Please provide evidence to support your answer.

Improving energy efficiency standards in the private rented sector could have disproportionate impact on some protected groups resident in the sector.

Currently, just under a quarter of households with long-term illness or disability live in non-decent private rented housing.⁷ Poor housing conditions can lead to an increased risk of cardiovascular disease, respiratory disease, depression and anxiety, all of which can lead to worse outcomes if an individual becomes infected with COVID-19.

Older people currently renting privately occupy homes that are more likely to be of poor quality, with higher housing costs than owner occupiers and are less likely to be able to adapt their homes to their changing needs. While the proposed policy changes will improve conditions for private renters of all ages, many older private renters have not moved home or changed tenancies in several years.⁸ So, while these policies will benefit tomorrow's generation of older private renters, today's older people who are renting in the private sector may not see the benefits of improvements until 2028 onwards.

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.

Covid-19 brings into stark reality the conditions in which some of people have spent lockdown and it necessitates a rethink over the longer term about the quality of housing that itself can be the cause of poor health outcomes.

Research from the University of Huddersfield shows that people most at risk of experiencing the worst impacts of the pandemic are those already living with some form of pre-existing vulnerability, inequality or precarity: in particular, those in receipt of benefits, living with long-term conditions, in precarious employment or living in insecure housing or with poor housing conditions.⁹

The economic and social impact of Covid-19 has been serious in the North and poses a challenge to efforts to 'level-up'. As the Energy White Paper recognises, improving the quality of our existing buildings can contribute substantially to efforts to level-up.

New research from IPPR North, supported by the NHC, offers an initial roadmap of actions which we believe will provide a plan of action towards warmer, greener homes. The pathway focuses on an initial stimulus in the social rented sector. Retrofitting existing homes is fast, labour intensive, provides a strong economic multiplier, and can contribute to levelling-up the economy. The ability of the social housing sector to innovate and develop energy efficient

⁶ IPPR NORTH | Northern Powerhomes A green recovery plan to decarbonise homes in the North November 2020

⁷ Analysis of English Housing Survey 2016-17 by Smith Institute

⁸ ONS private rented sector 2020

⁹ [Lockdown Rundown Breakdown](#): The Covid-19 Lockdown and the impact of poor quality housing on occupants in the North of England University of Huddersfield Philip Brown, Dillon Newton, Rachel Armitage and Leanne Monchuk. October 2020

solutions in turn increases the supply chain and reduces costs for improvement measures for other tenures.

Energy efficiency interventions including cavity wall installations, solid wall installations and loft insulation installations are high turnover, high employment activities where increasing demand has large employment impacts. They are possible to complete whilst observing social distancing requirements.

The IPPR North research finds that 77,000 direct jobs in the North and 111,000 indirect jobs across the UK could be created by 2035. Annually, those jobs could generate £3.85 billion GVA direct in the North and an additional £5.61 million indirect GVA in supply chains around the country.¹⁰

It is important to recognise that the supply chains for housing retrofit and decarbonisation for that are quite nascent. Long-term commitment to large-scale decarbonisation projects is necessary certainty to ensure that the market responds and low carbon supply chains are developed at scale. An holistic view of the market for retrofit, which uses the social rented sector to provide the scale and certainty needed to build capacity, will also pay dividends in the private rented sector.

Chapter 1 Core Policy Proposals (9 Q's)

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.

This is an ambitious target and will not be without challenge. A higher target will create a compliance challenge for local enforcement authorities. By 1 April 2020 there were 6.3% of private rented homes (263,000 in England) at Band F or G. The most recent survey of landlords showed that 42% were not aware of the mandatory requirement of Band E and 17% were aware but did not have a full understanding of the details.¹¹

A longer-term commitment to regeneration of local places with high percentages of non-compliant properties would support local collaborative, partnership working to drive wider improvements in housing quality across tenures and bring a new focus to raising the standards of the existing housing stock. This area-based approach offers the opportunity for a post-Covid-19 stimulus recovery package to introduce good quality, well paid jobs in construction and retrofitting.

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.

We support the preferred metric as the most appropriate balance to achieve the overall policy goals.

¹⁰ IPPR NORTH | [Northern Powerhomes](#) A green recovery plan to decarbonise homes in the North November 2020

¹¹ [MHCLG English Private Landlord Survey 2018, published January 2019](#)

We believe all three alternative metrics would require fundamental changes to both the data derived from Energy Performance Certificates (EPCs) if EPCs are to be an effective guide to retrofit investment and the implementation of the MEES regulations.

Local councils will be enforcing higher targets using MEES at the same time as delivering national and local strategies for tackling fuel poverty and fulfilling their own climate emergency reduction targets and contributing to UK carbon reduction targets.

Local authorities face a number of barriers to using MEES as an enforcement tool including: disjointedness of MEES aligning with other enforcement regulations including the HHSRS (which itself requires comprehensive review); too many landlords are unaware of the minimum standards; landlords are able to secure exemptions from carrying out improvement works; unreliable data based on EPC data which itself is flawed; relying on tenants reporting issues and lack of any alignment with measures to improve fuel poverty.

It is important for Government to have a co-ordinated approach to these areas of work which is why we propose a national landlord registration scheme to coordinate relevant data in one place to support local councils in coordinating these related activities.

Phased Introduction

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. The dates are challenging but achievable.

There may be some risk that upgrades to reach an EPC C might be delayed until closer to the single date, but these risks are outweighed by the benefit of certainty afforded by a fixed date. The current minimum standard of EPC E will not be sufficient to allow the energy efficient market to grow, scale and innovate. While time has been factored in for landlords to plan for the higher target over 7 years, we suggest it is important that awareness of the higher target is raised with landlords now while the Green Home Grant is available and thereby build a market for the supply chain.

Given the number of properties not meeting current targets, for landlords to plan for higher targets will require considerable incentivising, education and, where necessary, enforcement.

Local authorities have a vital role to play in enforcing higher standards. But for many, capacity shortages are a principal barrier. A reduction in service spend across local authorities has been particularly marked for Northern authorities, leading to significant loss of capacity in housing services.

Cheshire East Council commented, "*Significant investment would be needed to be able to be proactive and seek out hidden, unrecognised or unarticulated issues around poor-quality housing conditions.*"

The change in average net spend per local authority in the North between 2010/11 and 2018/19 stood at -54% for housing services compared to a reduction of 34% in the rest of

England. This means that councils in the North now spend 1.9p of every £1 on housing, compared to 3.7p in the rest of England.¹²

The evidence is clear that for the private rented sector to continue to improve to higher standards, frontline local authority teams will be crucial to help to achieve these standards.

Manchester city council told us *“We will not address and solve the challenges of increasing housing supply, fire safety and Zero Carbon without considerable increased capacity and professional services. We mustn’t lose sight of the fact that every threat offers an opportunity. If Government will invest in these areas, we can develop a new generation of professionals and begin to tackle the housing crisis faced by our country.”*¹³

To drive compliance with higher standards, public service teams must be at full capacity. Local authority PRS enforcements teams which, during the pandemic, have taken on significant additional workloads to avoid unnecessary private rented sector evictions and homelessness, will need to be bolstered if they are to respond to the scale of the challenge.

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.

Yes.

Estimating the costs for retrofit is difficult because of considerable variation in prices both in terms of the required measures and geographically but we estimate a whole house approach taking improvement measures, including insulation and heating systems together on average will cost anything between £15,000 and £45,000. Evidence shows on average cost to upgrade in the region of £19,300.¹⁴

The number of private landlords in the North likely to be affected by the higher end of the cost cap, those with properties in Bands F and G, is in the region of 63,000 properties. Most private rented properties in the North, approximately 62% are Bands D and E and will meet the Band C target with a considerably lower investment on energy efficiency measures than the higher end of the cap.

If the higher cap results in properties being taken off the private rental market, these would be sub-standard by definition and would have remained sub-standard under a lower cap. These properties are not fit to be rented out without substantial improvements.

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

Yes

If the cost cap does not increase in line with inflation policy impacts will be lower.

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

¹² Local Authority Housing and Planning Capacity in the North of England, UK Collaborative Centre for Housing Evidence (Cache) for the Northern Housing Consortium 2019

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¹⁴ IPPR NORTH | Northern Powerhomes: A green recovery plan to decarbonise homes in the North November 2020

alternative installation methods that maximise energy efficiency outcomes? Please provide evidence to support your answer.

Yes.

Progress on energy efficiency will not only reduce demand for heat in the short term but is also required to make viable decarbonised heat sources, such as electrified heat pumps, which require well insulated, draught-proof homes in order to function as intended. The requirement should be implemented to correspond with the introduction of revised legislation and the improvement reflected in a post-installation EPC.

Taking a fabric-first approach at scale will require a significant increase in the retrofit workforce. The sooner a programme of decarbonisation can begin, the sooner a skills pipeline can be developed, more jobs can begin to be created and the more impactful the economic impact could potentially be.

In the North, 1 in 4 homes were built before 1919 and are likely to have solid wall construction or non-traditional construction with 38% of those older properties being categorised as non-decent and 11% having a category 1 hazard. As the Energy White Paper recognised, the Northern regions have among the highest per-capita energy efficiency investment need across the UK. UK-wide there is an estimated 13 million homes not properly insulated with either cavity or solid wall insulation and there are 8 million uninsulated lofts¹⁵. In the Greater Manchester area, half a million of homes are estimated to need basic insulation¹⁶.

At the national level, estimates of job creation vary but suggest large opportunities. 34,000 full-time equivalent (FTE) jobs within the next two years could be created by investing in energy efficiency measures only.¹⁷

Chapter 2 Going Further

Question 10: We would welcome views on the alternative of a dual metric target to reach both EER Band C cost metric and also EIR Band C carbon metric, with an increased cost cap of £15,000 inclusive of VAT.

We support the preferred model of using the EER metric in combination with a 'fabric first approach' as this provides balance across the policy objectives.

We have commented in Q15 that further ambition of targets should be considered as new technology emerges and markets grow.

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.

Don't know

¹⁵ [BEIS Household energy efficiency national statistics 2017](#)

¹⁶ [Five-year environment plan for Greater Manchester](#)

¹⁷ [Energy efficiency's offer for a net zero compatible stimulus and recovery](#) EEIG June 2020

An affordability exemption will support smaller landlords but our evidence from local enforcement teams shows that exemption from the current standard is too easily obtained.¹⁸ An easy exemption route would mean that policy impacts are not achieved. We support the provision of assistance for landlords to help them meet their obligations in the form of current grant funding, but the design and implementation of an exemption will be complicated and potentially resource-heavy for the organisation responsible for approving it.

It is preferable that exemption is related to the condition of the property and on measures which would be to the detriment of the fabric of the building, such as listed buildings.

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. Improving the energy performance of privately rented homes

See answer to Q11

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

Yes.

We agree with the incorporation of TrustMark installers into the scheme. This ensures that the standards of the scheme run parallel to the Green Homes Grant and achieves a minimum standard across Government schemes.

It should be noted that there are shortages of accredited installers. Capacity needs to be scaled up for the skilled installers to be available to meet demand. This will require installers to feel there will be long-term demand for their services – beyond short-term stimulus packages. It is noteworthy that the chief executive of TrustMark has said some firms are still 'on the fence' about gaining accreditation¹⁹.

Such long-term certainty could be delivered through the stimulus to the social housing sector supply chain which could be generated through the full release of the Social Housing Decarbonisation Fund. Bringing forward the £3.8bn Fund would generate a boost in appropriately skilled people to meet demand which will benefit other tenures. This builds local supply chains which in turn supports the able-to-pay markets.

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?

Landlords should be encouraged to help their tenants benefit from the national rollout of smart meters, and to confirm that tenants are able to have one installed.

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.

¹⁸ No Home Left Behind: An Inquiry into standards in the North's PRS NHC for APPG Housing in the North October 2020

¹⁹ <https://www.thisismoney.co.uk/money/bills/article-8850305/Is-green-home-scheme-waste-energy.html>

We support the proposal for new tenancies by 2025 and all tenancies by 2028 as striking the best balance between cost, emissions savings and fuel poverty goals. Further tightening of PRS Regulations will be necessary to deliver energy efficient homes as technology develops and become more feasible and affordable.

MEEs has started a trajectory and has shown an improvement in some of the worst performing private rented homes. Innovation and technology will drive new low carbon heating sources and it is important to keep policies under review across all tenures to ensure that improvements are the best options for the property type.

Also to be considered is the possibility that in future Mayoral and Combined Authorities would have the ability to introduce local standards in accordance with their City-Region climate emergency ambitions.

Chapter 3 Compliance & Enforcement

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

Many councils told us that it is productive to work informally with landlords to bring about improvements, limiting the need for formal enforcement action. But informal activities are resource intensive even though they can ultimately save a lot of time and money for both parties.

These informal arrangements generate vital support from within the sector which is invaluable in reaching other landlords. The most responsible landlords have an interest themselves in driving out the worst elements of the sector and promoting better standards, without the need for further regulation and enforcement. Local authorities would like to do more including, for example, to incentivise landlord champions to work closely in partnership with the council and the wider landlord community.

We believe greater resources are needed at a local authority level for this type of informal activity. As capacity has reduced, responsibilities have increased for councils to regulate the private rented sector, particularly on energy efficiency requirements. Reaching out to landlords informally is a vital way to achieve positive outcomes.

Good engagement with landlords will require a good level of public service teams on the ground. In our discussions with local authorities, it was clear that reductions in capacity had particularly impacted on their access to specialist skills. Priorities on capacity-building have focused on the council's statutory functions with 80% of local authority capacity in the North now going into statutory services. Expertise in other teams, particularly in housing services, has been lost.

The scale of the challenge in working with landlords and achieving compliance, before the need for formal enforcement, is of huge value but under-resourced. City of York Council told us, *"75% of private rented sector homes in York are owned by landlords with less than three properties, and this can often indicate miscomprehension in licensing law and required quality standards."*

These softer approaches are not self-funding and sustaining their operation must be supplemented with resources drawn from the council's general fund. Greater resources are needed at a local authority level for this type of informal activity which does not generate

income from fines and penalties. Otherwise, perverse incentives are created for councils to escalate issues prematurely which contradicts the wider aims of local authorities to use their resources efficiently.

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

Our preference is for a national landlord register. This does not require additional data collection but rather rationalises and makes best use of existing data including EPC information, data from tenancy deposit schemes, council tax returns and Land Registry data. Reaching minimum energy efficiency standards will require much better use of existing data, or risk further increasing the burden on council resources at a time of limited capacity. We believe a national landlord identification database which should include details of the landlords, their properties, and the energy efficiency ratings is essential to professionalise the sector and raise standards.

Question 18: Do you agree that government should set a maximum total registration fee for landlords with a very large portfolio? If yes, how many properties should qualify as a “very large” portfolio? What should the maximum fee be? If you do not agree to a maximum total registration fee proposal, do you have alternative suggestions?

Don't know

The purpose of the scheme is not to penalise landlords, but the same administrative costs will apply in registering each dwelling for either compliance or exemption and each dwelling is generating revenue. Discounts should apply for applications made by charities and some other exceptions.

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

We believe that only compliant properties should be advertised. It should be noted that there is already an informal market in operation in many parts of the North, where keys exchange hands without formal tenancy agreements being in place. Raising standards in this informal market does require local authority capacity to support tenancies and enforce regulations.

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.

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.

The current level has not acted as a deterrent. The level of the fine needs to be at least commensurate with the loss associated with non-compliance. Tenanted properties which are at the lowest rating F or G are more costly to heat for the tenant and a fine should be set so that landlords appreciate the importance of this. The fines should increase for repeat offenders.

Whatever the level of the fine, compliance requires adequately resourced enforcement mechanisms with the capacity to pursue non-compliance.

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.

A national register would support the delivery of such an inspection regime, implemented by well-resourced enforcement teams.

Enforcement

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.

EPC Open Data has limitations in the data that is available. It does not contain all the elements of the SAP assessment in order to validate if a home has been assessed correctly. The fact that the energy performance data is now in a '.gov' website should allow for further development of this data in a secure way. This would then allow the local authorities to effectively enforce against non-compliance.

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

Yes.

This will enable progress to be measured.

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

Yes.

We believe a nationwide landlord register is the best means by which the landlords of properties without EPCs can be systematically identified and contacted.

Question 26: How can the most consistent set of recommendations in the EPC be assured? Does using only the most recent SAP methodology allow this?

Don't know

New technology is not always well-reflected in SAP assessments. The assessment should not dictate against investment in measures which provide good results for the tenant in a real-life, 'in-use', situation. The SAP is based on standard assumptions about household occupancy. The assumptions made of older houses make them more likely to receive a low

score, not necessarily reflecting their actual performance leading to inappropriate options for retrofit of older properties. If landlords are satisfied that a measure provides tangible benefits for energy efficiency and is in the best interests of tenants and the property, they should be able to consider a measure which, on paper, does not accord with the methodology, providing that they have evidence to support this investment decision.

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

Yes.

A consistent standard for all rented properties would be welcomed.

We advocate that all homes must have an EPC, whether the property is listed or in a conservation area. However, landlords and enforcement officers require further guidance on how to improve buildings with special architectural heritage. An EPC simply identifies the current energy efficiency of the dwelling and likely opportunities for improvement. There is always likely to be some level of improvement that can be achieved in any building and coordination through the PAS2035 process will ensure that the appropriate measures are installed. If only limited improvements are possible then the exemption register will identify this status for local authorities, but guidance is required for landlords to avoid the installation of unsuitable measures.

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.

We support the introduction of an increased fine level for each breach of the PRS Regulations.

However, this is within the context where every effort should be made to ensure that landlords and letting agents are made fully aware of the requirements, and what is expected from them and that incentives are available to support compliance. Penalties for those who fail to comply are a reasonable next step.

This activity requires that enforcement to drive up standards in the private rented sector is properly resourced. Councils can retain the income from fines, but this rarely covers the cost of sustained capacity and proactive work such as informal engagement which results in compliance before a penalty needs to be issued.

Many local authorities will be starting this tougher enforcement regime from a standing start as they do not have a pot of funds with which to pump-prime enforcement activity. We therefore believe that the higher targets should be accompanied by some seed-funding for local authorities. This should be time-limited, perhaps for one or two years, after which local authorities could reasonably be expected to have raised sufficient funds with which to continue enforcement activity. This in turn would send a clear signal to non-compliant landlords that this is no longer an option.

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.

Tenants can influence better property standards by being able to act without fear of retaliation. One of the key barriers to redress continues to be the fear of eviction following complaints about property standards. There is a direct link between retaliatory evictions and property standards despite some limited protection through the Deregulation Act 2015. Renter reform with a focus on removal of 'no-fault' evictions will be necessary for a successful redress scheme which relies on tenant empowerment. Parliamentary time must be made available for the proposed Renters Reform Bill as soon as possible.

In addition, there will always be a proportion of tenants who will be unable to access redress without the support of a caseworker either from the local authority or the third sector. As part of the reform of consumer redress in housing, whatever power is given to tenants, there must be an accompanying emphasis on supporting tenants to take and use that power. Such roles within local authorities, tenant advocacy officers, welfare support, debt advice and casework support officers, as well as securing tenant rights, also ensure that oversight of property issues are maintained with escalation to enforcement teams if necessary.

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

No. We do not support benchmarking.

There are too many differences between areas to force fair comparisons across local authorities.

We support a transparent approach from local authorities to share openly their reasoning for enforcement activity, and this must include the development of an enforcement strategy which is kept up to date and demonstrates the involvement of the political leadership of the council. The Local Government Association has recently provided a toolkit to support councils with this approach.²⁰

It is incredibly difficult to benchmark in such a way that directly compares one enforcement regime with another. Operational delivery can vary greatly between councils as a result of a mixture of the local conditions, capacity, experience of using various approaches and the relative success or otherwise of activity in their local patch.²¹

There are also significant differences in the condition of the housing stock, even from one local area to another.

A comparison of numbers of notices served, number of emergency prohibition orders served, or number of prosecutions, would not generate a fair comparison.

²⁰ [Improving the Private Rented Sector: A toolkit for councils August 2020](#)

²¹ No Home Left Behind: An Inquiry into standards in the North's PRS NHC for APPG Housing in the North October 2020

Local authorities can take action to publicise their enforcement activity in the local press but the publishing of data in a benchmarking way is difficult to interpret in a way that is fair and representative. The data behind it is key to interpreting enforcement activity.

It is also not clear how benchmarking will benefit the tenant or generate improvement works. For the resident to exert pressure on a landlord to improve energy efficiency, the full range of other measures in this paper must be implemented effectively.

Exemptions

Question 31: Do you agree that the updated exemption regime should come into force on 1 April 2025? If yes, do you agree that the property compliance and exemptions database should be opened six months prior to commencement of exemptions? If not, please explain why.

Yes.

We agree that the database should be opened six months prior to commencement. The ability to count spend or register an early exemption if spend is prohibitive could incentivise landlords to carry out works earlier.

Question 32: Should the 'new landlord' temporary exemption be simplified so that it applies to any person who has become a landlord within the last six months? Please provide evidence with your answer.

Yes.

Time to assimilate what is required and organise improvements appears to be fair, but after six months a check that compliance has been achieved would also need to be in place.

For further information about this submission, please contact

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