

ALL PARTY PARLIAMENTARY GROUP HOUSING IN THE NORTH

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POST-EVENT MEETING PACK

All Party Parliamentary Group for Housing in the North

Date: 8th March 2022

Time: 14.00 – 15.30

Venue: Online Via Zoom

Meeting Focus: Levelling Up White Paper, Energy Efficiency, and the Cost of Living

Background

Cost of Living

- Levels of fuel poverty in the North run above the English average, with over 1 million households in the North living in fuel poverty.
- The North is home to one-third of England's fuel poor households. The average household in fuel poverty faces a £200 gap between their fuel bill and what they could afford if they were to avoid fuel poverty.
- This was *before* the Ofgem announcement that the Default Tariff Cap would rise by 54% from 1 April 2022, from an increase of £693 from £1,277 to £1,971 per year due to rising wholesale prices.
- Energy price volatility is expected to be made worse by Russia's invasion of Ukraine. The majority of the UK's 28.5mn households are due to see their annual energy bills exceed £3,000 from October after the surge in wholesale electricity and gas prices, according to economists at Investec and Goldman Sachs.

Further information:

[House of Commons Library Rising cost of living in the UK - Research Briefing, 16 March, 2022](#)

Energy Efficiency

- Heating demand is exasperated by the North's energy inefficient homes. NHC analysis shows that improving all northern homes to an EPC C will require retrofitting 270,000 homes each year between 2020 and 2035, the year the Government hopes to achieve this target for all homes.
- Investment in home energy efficiency is now an urgent imperative, and will see a multitude of benefits:
 - **Affordable Heating:** Upgrades will put cash in the pockets of those living in the homes concerned. A report last year estimated potential fuel bill savings from home upgrades at £270 per household per year.
 - **Job Creation:** Green home upgrades are labour-intensive. Research supported by the Northern NHC found that an ambitious programme of green home upgrades – involving retrofit and energy transition - could create 77,000 direct jobs across the North by the 2030s, and a further 111,000 indirect jobs across the UK. The same

study concluded that this could generate £3.85bn Gross Value Added (GVA) direct in the North and an additional £5.61bn in supply chains around the country.

- **Health and Wellbeing:** Half of the North's non-decent homes are occupied by someone who is older, or has a long-term disability or illness. The King's Fund estimate that every £1 spent on improving homes occupied by vulnerable households yields £4 in health benefits.

Further Information:

[The Northern Housing Monitor 2021](#)

[Northern Powerhomes: A green recovery plan to decarbonise homes in the North](#)

Levelling Up White Paper

- Director of the Levelling Up Task Force (and former Homes England Deputy CEO) Tom Walker has described the Levelling Up White Paper as including a “very bold change in emphasis on housing policy” with “an emphasis on quality that hasn’t been there for several years”.
- The White Paper sets out a mission on housing that is broader than just new supply: ‘By 2030, renters will have a secure path to ownership with the number of first-time buyers increasing in all areas; and the government’s ambition is for the number of non-decent rented homes to have fallen by 50%, with the biggest improvements in the lowest performing areas.’
- A focus on housing quality in rented accommodation means a focus on the North West and Yorkshire; [Northern Housing Monitor](#) analysis shows non-decency running above the national average in both regions; with Yorkshire recording a rate of failure on the minimum standard criterion that is 50% above the England average.
- The APPG for Housing in the North’s [Inquiry into Property Standards in the Private Rented Sector](#) found:
 - 27% of Northern PRS homes fails to meet the decent homes standard, 14% have a Category 1 hazard.
 - 69% of the PRS in the North is below ‘C’ with 63,000 homes in the worst Bands F and G.
 - 31% of tenants in the North are in receipt of housing subsidy compared to 26% nationally.
 - A long-term commitment to regeneration investment would support local collaborative partnership working to tackle fuel poverty drive wider improvements in housing quality across tenures.
- The White Paper’s Mission on decent homes excludes a large proportion of the North’s non-decent homes: those that are owner-occupied. 56% of vulnerable residents living in a non-decent home in the North are doing so in a home they own. This is a hard truth that Government will need to confront before long.

Read More:

[Mission accepted: the Levelling Up White Paper and housing in the North](#)

Non-Verbatim Notes

Welcome from the Chair

Ian Mearns MP

2021 was a productive year for the APPG for Housing in the North, highlights included:

- Ministerial Engagements with the Minister for Housing (January & May 2021) and Minister for Business, Energy and Corporate Responsibility (October 2021) putting forward APPG priorities covering PRS standards, affordable housing, Local Authority capacity, and Net Zero.
- Research briefing with IPPR North developing the economic case for investment in our neighbourhoods through green homes upgrades.
- A flagship session in collaboration with the APPG for Housing and Social Mobility exploring the barriers to scaling up the retrofit supply chain, and embedding good green jobs at the local level.

The APPG will build on this work with a new programme of meetings in 2022.

Levelling Up White Paper: Implications for Housing in the North

Tracy Harrison, Chief Executive, Northern Housing Consortium (NHC)

The publication of the Levelling Up White Paper gives us a fuller sense of the policy programme behind it. For the NHC and our members, we're keen to underline that whether it's restoring local pride, bringing up standards in the private rented sector or regenerating places; the housing sector stands ready and able to work with Government on making Levelling Up a sustained success and rebalancing a reality for people and places across the North.

The housing policy programme is built around increasing home ownership, improving housing quality in rented accommodation, and utilising the resource of Homes England to regenerate areas.

The White Paper sets a direction of travel that the APPG for Housing in the North can take much from. To reiterate - the task for us in the North is to ensure they have longevity and that they're delivered on.

- The All APPG itself was formed to promote the need to invest in housing quality and regenerate our local areas.
- The APPG's recent Inquiry into Property Standards in the North's PRS in particular highlighted the specific challenge this tenure posed, and included a number of recommendations including introducing a National Landlord Database and bringing forward the implementation of the Renters Reform Bill and Abolition of Section 21 "no fault evictions".
- The APPG hosted the Housing Minister last January and made the case for moving away from the 80/20 funding formula and how Homes England, and that organisation's substantial resources, could be harnessed to support Levelling Up ambitions.

This is a foundation to build upon:

- The APPG's report No Home Left Behind contains many more recommendations that would contribute to the mission of reducing non-decent rented homes by 50%. This is in relation to the revised decent homes standard, which is in development. Getting this right, ensuring that it's an ambitious and deliverable standard, is tremendously important. The NHC is part of the DLUCh Sounding Board working with officials to develop the new standard.

- The APPG have also called for improved capacity and resource for our Local Authorities – something which is an essential underpinning to ambitions around economic development, planning, and housing renewal.
- More can also be made of the links between Levelling Up and Net Zero – whether in supporting the creation of new green jobs and skills pathways, empowering local leaders to go further in their ambitions, or how improving housing quality and pride of place can be found in the creation of energy efficient homes and low carbon communities.

Energy Efficiency and the Cost of Living: Stakeholder Panel

Energy Price Rises – Impact on the Household

Peter Smith, Director of Policy and Advocacy, National Energy Action

Sadly, the eradication of fuel poverty has never been further out of reach. 22million households will see a 50% increase in bills. This is uncharted territory.

Not all households will feel the impact evenly, with the poorest heavily vulnerable. Many fuel poor households are on pre-paid meters, some 4.5m households will be see a total increase of £3bn, seeing much of their outgoings increasing in their monthly bills. Other groups will be those who spend a lot of time at home such as pensioners or the clinically vulnerable.

We are calling on the UK Government to do more to protect the most vulnerable households. The Government has things that they've consulted on for a while, such as extending PRS regulations to increase the number of efficient homes. They've also investigated a Warm Homes Discount Scheme expansion and we're waiting on consultation responses.

Angela Lockwood, Chief Executive, North Star Housing Group

We're preparing for the increase in energy price rise in April. Food prices are rising by at least 5% and fuel by 50%. From a Housing Association Chief Executive perspective, I have a limited influence and scope on fuel, and we're left waiting for the worst to come.

Social rented homes are in good stead thanks to Decent Homes Schemes. Many of us are looking at the decarbonisation agenda and we've received funds through the Social Housing Decarbonisation Fund.

When I began my housing career, we provided houses and catered for repairs. Now we do much more, with debt and employment advice. Many North East Housing Associations invest in similar schemes looking to increase tenants' incomes.

We care about residents and we're looking to be creative to mitigate the situation, whether in providing mental health support, providing fuel vouchers, and a welfare fund to support during crises'. I cannot help but be concerned about the coming winter.

What happens when we see people cold in our houses? What is this like for the frontline? We're going to have to brace ourselves. Child poverty is high in the areas we operate in and this can only increase. I'm concerned about swamped services. What will social services do? What will the response be from the NHS? This is also fertile ground for loan-sharks. Even food banks, as brilliant as they are, if there's no fuel to heat food, we cannot provide hot meals.

We will do everything we can to make our houses as fuel efficient as possible. However, the future is looking challenging for us all. In the areas I operate in, a Victorian terrace may be worth £40k but works may cost up to £50k. There is no incentivisation. The need to coordinate our efforts have never been as important. The levelling-up agenda is welcomed. It's a brand, it gives us focus and it's to be worked with.

Minimum Energy Efficiency Standards (MEES) in the Private Rented Sector

Nicky Hodges, Senior Researcher, Centre for Sustainability Energy

The Centre for Sustainable Energy co-ordinated two rounds of pilot projects with local authorities – 7 in the north of England - to develop their approach to compliance and enforcement of the Private Rented Sector Minimum Energy Efficiency Standards (MEES) regulations; Liverpool, Eden, Newcastle, Walsall, York Durham, Bury.

The pilots revealed some big issues that stand in the way of the MEES regulations being a fully effective tool for achieving on the levelling up agenda and on net zero.

The Improving Energy Performance in the Private Rented Sector consultation in 2020 was an opportunity to identify priorities to improve the situation for people struggling with the cost of living in the private rented sector.

It was noted that Nicky had provided a useful summary of policy developments the APPG should look to engage with Government on. These are provided in full below:

[Centre for Sustainable Energy – APPG for Housing in the North Meeting 08.03.22 – MEES in the PRS Policy Asks](#)

Phillip Stanley, Performance Management & Evaluation Lead - Private Sector Housing, Liverpool City Council

The PRS in Liverpool is at 32% and a third of the biggest council wards have 40% stock as a minimum. We have many smaller landlords who grapple with stock maintenance. We also have older stock in the city, which is harder to maintain.

We are responsible for all licensing in the PRS. We are coming to the end of a project which focuses on engagement as much as enforcement. We've used money through the North West Energy Hub and BEIS. There is a significant minority of properties rated EPC F&G. Some landlords clearly don't know what the regulations are about. The PRS needs a cohesive policy across the board.

Our project identified F&G properties and sought to engage the owners of 460 G-rated properties and through communication we'd offer information, support and funding routes to help. No compliance saw targeted enforcement work and persistent no engagement was met with a fixed penalty notice.

We'd rather see money spent investing in property than on fines. We are not labelling all landlords as bad, some are clearly struggling, but we must raise standards across the piece. Some tenants live in hazardous conditions. March is the final month of the project and we've been asked to evaluate by BEIS.

The MEES regulations were found to be quite time consuming. A lot of time was spent checking EPC data. We've also had Unique Property Numbers added but we don't always get exact

matches. In fact, 90% of properties in Liverpool don't have UPNs. The Tenancy Deposit Scheme is also underutilised. In Liverpool, there are only 70 properties which are exempt, with only 6 added since the start of our project.

Much more must be done to incentive landlords. We have a substantive landlord licensing scheme on our side, and we can gather greater intel, utilising EPCs as a licensing condition. Other LAs will struggle without this.

Decarbonising Homes Across Tenures

Clare Jackson, Private Sector Housing Manager, Burnley Borough Council

Like Liverpool we were successful in our bid to BEIS to implement a MEES project. We didn't just concentrate on EPCs, also looking at gas safety and electrical insulation. We've found 78 non-compliant landlords, as well as over 100 who didn't have gas safety certificates. It will take us months to deal with this, providing great challenges in terms of resources.

Additionally, Local Authority's don't enforce on gas safety, this is the Health & Safety Executive. We must also prove tenancy in order to serve legal documents, though this can be hard with Universal Credit.

We need the resource to implement legislation. A National Landlords Database would help to work with people and improve engagement. We must look to incorporate standards into just one piece of legislation. We've referred landlords to Cosy Homes, a consortium of North West landlords, who've been able to tender for support to improve EPCs across tenures, as Stuart will expand on.

Stuart Winterbottom, Managing Director, Rhea Projects (delivery agent of Cosy Homes in Lancashire).

Cosy Homes works on behalf of all Lancashire authorities. We've successfully bid for funding on Gren Homes Grant LAD funding, gaining £15m funding to work on improving properties to EPC C standards.

We've created a new local supply chain from scratch, with the new rules for LAD being very stringent. Undertaking a Fabric First approach before looking at low carbon heating is a very effective method. The LAD 3 bidding process has found us unsuccessful as we've over-delivered in LAD 1 and 2.

LAD funding would be better allocated against fuel poverty levels rather than a bidding process. Owner occupiers can take £10,000 funding as part of the scheme, but landlords can only receive £5,000, whilst having to put in £2,500 themselves. This has seen those who don't prioritise their tenants avoid the scheme.

Group Discussion and Any Other Business

All

- Work should look at ensuring Levelling Up advances to a position beyond introductory policy to lasting change.
- Pressures on family income strongly underline the need for a rapid programme for energy improvement. Private renters may be worse off, due to higher rents. We must find a way to target this.

- There will be a huge differential in societies ability to retrofit our housing. There is currently little incentive or pressure for PRS landlords to retrofit properties. The cost is enormous. We must get on with the issue in a way we are simply not at the moment.
- Various Government schemes have operated centrally from Whitehall and in the name of improvement and have ultimately failed people. There is a need for pressure on the Government for comprehensive medium and long-term financing programmes across tenures. The poor will always be the ones at the bottom of the pile.
- Competitive bidding rounds drain already depleted resources and are perhaps ultimately a rationing process to allocate limited funds.
- A lot of landlords of harder to heat homes are receiving a lot of money from public benefit, going into heating energy inefficient homes. We must remind ministers about this. The Home Office fund significant amounts of money for refugees and asylum seekers and I'd bet a lot of this is in energy inefficient homes.
- Empty homes: there is a potential stimulus here for the owner to bring it back into use and improve the housing stock. This is a lost opportunity if we don't find the right incentivisation. The second issue is rural fuel poverty. They don't have the choice of gas. A lot of the property is stonewalled. We don't have the critical mass in deeply rural areas, but we have the same problems.
- Eden District Council and Cornwall were involved in the pilot and they have good guidance on the challenges of rural properties. Air BnB and second homes in these areas are also a huge issue.
- The NHC have been involved in DLUHCs Decent Homes Review sounding board process for over a year. Thermal comfort is perhaps the most dated element and will be pushing for an outcome that is both ambitious and deliverable.

Chair's Closing Remarks

Ian Mearns MP

The next meeting of the All Party Parliamentary Group for Housing in the North takes place Tuesday 17th May 2022, 13.00 – 14.30, online via Zoom.

To register as an observer for that meeting, please contact Matthew Wilson, Member Engagement Officer, Northern Housing Consortium: matthew.wilson@nhc.org.uk

The APPG for Housing in the North provides a forum for Parliamentarians to discuss and advance, housing and related policy across the three northern regions and seeks to ensure the needs and ambitions of northern communities are addressed in national housing policy development.

In November 2020, the APPG published their first report [No Home Left Behind: An Inquiry into Property Standards in the North's Private Rented Sector](#)