

15/04/2024

Dear Minister Solloway,

Thank you for taking the time to talk with us about the challenge of improving energy efficiency in the private rented sector at our January committee meeting. The DESNZ Annual Fuel Poverty Statistics regarding 2023 have recently been published (15<sup>th</sup> February 2024) giving us the opportunity to provide you with our suggestions based on the latest data.

The fuel poverty statistics<sup>1</sup> show that 35% of fuel poor households in England are in the private rented sector (PRS). This equates to just over 1.1 million fuel poor households in the PRS, almost double the amount in the social rented sector (SRS). This is explained by the combination of the number of homes falling below EPC C, together with the concentration of low-income tenants within the PRS. Although the SRS also has a high concentration of low-income households, a smaller proportion of properties are below EPC C because of the impact of the Decent Homes Standard for the SRS which has driven up EPC standards<sup>2</sup>.

Given there are more than 4 million households in the PRS, and over 1.1 million households in the PRS which are in fuel poverty (24%), this is clearly an area that needs addressing urgently if the government is to achieve its statutory fuel poverty targets at a time of high fuel costs. There are several areas where we believe change is needed:

1. Currently the major energy efficiency programmes are targeted at the owner occupier sector (e.g. Energy Company Obligation, Home Upgrade Grant, Great British Insulation Scheme) or the SRS (Social Housing Decarbonisation Fund). Previously the Committee on Fuel Poverty argued that the PRS be treated as a commercial sector as landlords are effectively managing a business that should meet required standards. Landlords could be helped to meet these standards through tax offsets for improvements, loans or potentially grants for landlords with a low profit margin in areas of low rental value.
2. The Renters Reform Bill<sup>3</sup>, currently completing its final stages through the parliamentary process includes the positive proposal for a property portal where landlords must register details of their property. It also refers to the application of the soon-to-be updated Decent Homes Standard for the PRS. We believe that together these would create a powerful tool to improve the standard of thermal comfort for the fuel poor in the PRS.
3. The Minimum Energy Efficiency Standards (MEES) currently require landlords to meet EPC E levels. In our 2023 Annual Report<sup>4</sup> we recommend that the £3500 threshold for exemption is increased and that the loophole that this creates for avoiding energy efficiency improvements is closed.

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<sup>1</sup> <https://www.gov.uk/government/statistics/fuel-poverty-detailed-tables-2024-2023-data>

<sup>2</sup> <https://www.gov.uk/government/statistics/chapters-for-english-housing-survey-2022-to-2023-headline-report/chapter-5-energy-efficiency>

<sup>3</sup> <https://bills.parliament.uk/bills/3462>

<sup>4</sup> <https://www.gov.uk/government/publications/committee-on-fuel-poverty-cfp-annual-report-2023>

4. If the Government is to improve progress to meeting the statutory 2030 fuel poverty target, then at the very least the MEES requirements will need to be increased to EPC D in 2025 and EPC C in 2030. The MEES consultation document<sup>5</sup> suggested setting MEES targets ahead of this statutory timetable, which is obviously preferable for improving homes in the PRS at a faster rate.
5. The Warm Homes Discount (WHD) is delivered through energy bills to low income and fuel poor households. However, in some instances where a PRS tenant is not named on the energy account they will not receive the WHD. A similar problem was addressed under the Energy Bill Support Scheme (EBSS), through which a 'pass-through requirement' was employed where PRS landlords had to pass the support on to tenants. The solutions identified for the EBSS should be considered and applied in the PRS for the WHD where possible.
6. Action is needed to support landlords around the culture change to ensure that those 3.6% of PRS tenants living with a dangerous type of mould and damp<sup>6</sup>, are urgently rectified. We welcome the recent guidance which outlines that tenants should not be blamed for damp and mould, and specifically that landlords should not delay action to await medical evidence or opinion. The committee supports that medical evidence is not a requirement for action but urge that the £38m NHS cost of damp homes<sup>7</sup> will not be addressed without assertive enforcement of the guidelines.

Thank you for asking for our thoughts on these challenging areas of fuel poverty. We hope you find our suggestions helpful.

Yours sincerely,

Caroline Flint



Chair of the Committee on Fuel Poverty

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<sup>5</sup> <https://www.gov.uk/government/consultations/improving-the-energy-performance-of-privately-rented-homes>

<sup>6</sup> <https://www.gov.uk/government/publications/damp-and-mould-in-the-private-rented-sector/damp-and-mould-in-the-private-rented-sector#introduction-and-main-findings>

<sup>7</sup> [https://files.bregroup.com/research/BRE\\_Report\\_the\\_cost\\_of\\_poor\\_housing\\_2021.pdf](https://files.bregroup.com/research/BRE_Report_the_cost_of_poor_housing_2021.pdf)