# Consultation on Minimum Energy Efficiency Standards in the Social Rented Sector in England

Issued: 02<sup>nd</sup> July 2025

Respond by: 11:45pm on 10th September 2025

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# Scope of the consultation

# Topic of this consultation

This consultation seeks views on the implementation of new Minimum Energy Efficiency Standards (MEES) for the social rented sector at Energy Performance Certificate (EPC) Band C or equivalent by 2030. It covers the following areas:

- Setting a Minimum Energy Efficiency Standard
- Addressing Implementation Issues
- Longer-term Decarbonisation and Net Zero

# Scope of this consultation

Social Housing Regulation and Net Zero

# Geographical scope

These proposals relate to England only.

# Impact assessment

The impact assessment published alongside this consultation sets out the expected impacts (costs and benefits) of the proposals made in this consultation.

# **Basic Information**

# Bodies responsible for the consultation

The Ministry of Housing, Communities and Local Government and the Department for Energy Security and Net Zero.

#### **Duration**

This consultation will last for 10 weeks from 2<sup>nd</sup> July 2025 to 10<sup>th</sup> September 2025.

# **Enquiries**

For any enquiries about the consultation please contact: <a href="mailto:srs.mees@communities.gov.uk">srs.mees@communities.gov.uk</a>

#### Or write to us at:

SRS MEES Consultation
Social Housing Quality and Residents Division
Ministry of Housing, Communities and Local Government
3rd Floor, Fry Building
2 Marsham Street
London

#### SW1P 4DF

# How to respond

We strongly encourage responses to be submitted online using the Citizen Space link below, where possible, as this supports timely and efficient analysis of responses.

**Respond online at:** https://consult.communities.gov.uk/social-housing/srs-mees-consultation/

Or, in the event, you are unable to do so:

Email to: srs.mees@communities.gov.uk

## Written responses should be sent to:

SRS MEES Consultation
Social Housing Quality and Residents Division
Ministry of Housing, Communities and Local Government
3rd Floor, Fry Building
2 Marsham Street
London
SW1P 4DF

When responding, please state whether you are replying as an individual or representing the views of an organisation. Please include:

- your name,
- your position in the organisation (if applicable),
- the name of the organisation (if applicable),
- an email address

We strongly encourage responses via the online survey, particularly from organisations with access to online facilities such as local councils, representative bodies and businesses. Consultations receive a high-level of interest across many sectors. Using the online survey greatly assists our analysis of the responses, enabling more efficient consideration of the issues raised.

Your response will be most useful if it is framed in direct response to the questions posed, though further comments and evidence are also welcome. If you are responding in writing, please make it clear which questions you are responding to.

**Consultation reference:** Consultation on Minimum Energy Efficiency Standards in the Social Rented Sector in England.

**Audiences:** this consultation is for Registered Providers of social housing and anyone representing the interests of the sector, tenants of social housing, any organisations involved in the management of or investment in social housing, local and regional government, third sector organisations concerned with energy

performance or climate change, any members of the supply chain (energy performance installers, Domestic Energy Assessors, for example).

# **Demographic Questions:**

# In which capacity are you responding to this consultation?

- Social housing resident
- Local authority registered provider
- Housing association/ private-registered provider
- Non-registered provider
- Leaseholder in a building with social rented homes
- Tenant/ resident representative group
- Landlord/ registered-provider representative group
- Industry body (e.g. National Housing Federation)
- Manufacturer, supplier or supply chain representative body
- Charity, NGO or campaign group
- Public body (e.g. Homes England, Regulator of Social Housing)
- Academia, think tank or any other research organisation
- Standards/ accreditation body (e.g. TrustMark, PAS)
- Finance/ lending organisation
- Government body
- Member of the public (not in social housing)
- Other (please specify)

# If you are responding on behalf of an organisation, please specify which organisation:

#### [free text]

# If responding as an individual, in which region do you live and work?

- North East
- North West
- Yorkshire and the Humber
- East Midlands
- West Midlands
- East of England
- South West
- South East
- London
- Prefer not to say
- N/A I am answering on behalf of an organisation

If you are answering as or on behalf of a registered provider of social housing in which region(s) do you operate mainly (i.e. where you manage properties, where you carry out work)? Please select all that apply.

- North East
- North West
- Yorkshire and the Humber

- East Midlands
- West Midlands
- East of England
- South West
- South East
- London
- Prefer not to say
- N/A I am answering as an individual

If you are answering as or on behalf of a registered provider of social housing are the majority of your properties located in urban or rural locations? An urban area is defined as having a population of more than 10,000.

- Urban
- Rural
- Equal split

If you are answering as or on behalf of a registered provider of social housing: how many rental properties do you manage?

- <1,000
- 1,000 15,000
- 15,000 40,000
- 40,000+
- Prefer not to say

# Ministerial Foreword

# Foreword by Matthew Pennycook MP, Minister for Housing and Planning and Miatta Fahnbulleh MP, Minister for Energy Consumers

Everyone deserves the security and comfort of a safe, decent and warm home. Yet far too many social rented homes fall short of this basic standard, leaving tenants living in substandard conditions and struggling to pay their energy bills. This is an intolerable state of affairs and we intend to put it right.

Alongside our commitment to delivering the biggest increase in social and affordable housebuilding in a generation, this government is determined to drive a transformational and lasting change in the safety and quality of social housing and to upgrade millions of homes through the Warm Homes Plan to cut bills and tackle fuel poverty. These are complementary objectives, and we are working in lockstep to deliver them.

When it comes to improving the energy efficiency of social housing stock, we recognise that significant progress has been made over recent years. However, we must do more to drive up standards so that all tenants enjoy a safe, decent and warm home.

The reforms set out in this consultation are crucial to achieving that aim. They introduce, for the first time, new Minimum Energy Efficiency Standards to the social rented sector (SRS)— a vital step towards making sure every tenant living in social housing can expect a minimum standard of decency.

These proposals build on those we consulted on earlier this year in relation to improving energy performance in the private rented sector (PRS). Our departments have worked in partnership to ensure we are driving complementary improvements across the SRS and PRS, while recognising the unique needs of each sector.

We appreciate fully that landlords need certainty about the standards and requirements they are expected to meet. That is why we are consulting on these changes at the same time as providing clarity on long term funding support and future regulation on quality and safety.

The new Minimum Energy Efficiency Standards will become part of the Decent Homes Standard (DHS) which is also being reviewed through a consultation so that it better meets the needs of today's tenants and landlords.

We invite tenants, landlords and others to share their views on our proposals, with suggestions for improvements, and how they can be made. By working together – MHCLG, DESNZ and the sector overall – we can make homes warmer, improve the lives of hard-working people and families, and build a brighter, more sustainable future for generations to come.

# **Executive Summary**

#### Aim of this consultation

1. The purpose of this consultation is to seek views on government's proposals to introduce Minimum Energy Efficiency Standards (MEES) for social rented homes in England. This will deliver warmer homes that are cheaper to heat, taking thousands of families out of fuel poverty and reducing carbon emissions.

# Summary of the proposed policy

- 2. Government will set MEES in the social rented sector (SRS) using new metrics that are proposed following Energy Performance Certificate (EPC) reform. The new metrics will assess the energy performance of buildings based on fabric performance, smart readiness, and the efficiency and emissions of the heating system. Further detail on these planned metrics and other proposals relating to EPC reform can be found in Chapters 1 and 2.
- 3. MEES will be included in the Decent Homes Standard (DHS) as part of a Criterion D on thermal comfort, on which the government is also currently consulting. Both consultations close on 10<sup>th</sup> September 2025. As with the wider DHS, the standard will apply to all registered providers of social housing in England and will be regulated by the Regulator of Social Housing (RSH). This will apply to both private registered providers and local authority registered providers of social housing. It does not include properties owned under Low-Cost Home Ownership Schemes (LCHO) such as shared ownership properties. We will refer throughout the document to those in scope collectively as 'providers'.
- 4. Government's preferred approach for SRS MEES both:
  - requires landlords to meet a standard using reformed EPC metrics, meeting the fabric metric at band C and either the heating system or the smart readiness metric: and
  - has a compliance date of 2030 to meet the standard, after which it will be regulated by the RSH. This means that we propose to implement MEES sooner than the rest of the new DHS which is proposed to be implemented in either 2035 or 2037.
- 5. Government appreciates that the proposed standard will be different to that which providers have been working towards (EPC Energy Efficiency Rating (EER) C. For some homes, it will be more expensive to meet the new MEES standard than the current EPC EER C standard. Recognising this increased ambition, the consultation also seeks views on the suitability of alternative standards. This includes using different combinations of metrics, allowing greater provider flexibility over which metric they satisfy or by using a single fabric metric to prioritise warm homes.
- 6. This consultation also seeks views on how MEES will be introduced and implemented. Government proposes that:

- there is a time-limited spend exemption for providers, meaning the maximum a provider would be required to spend to comply with MEES between now and 1 April 2030 is £10,000 per property. If the property still does not meet the minimum standard after the £10,000 expenditure, the exemption would allow providers to delay meeting the proposed minimum standard for a further 10 years from 2030. This is not a maximum spend, and providers can spend more if they wish.
- social rented homes achieving EER C against existing EPCs, before new EPCs are introduced, would be considered compliant with the standard until those EPCs expire. This aligns with the approach outlined in the PRS MEES consultation.
- social rented homes that meet the existing EER C standard between the
  introduction of the new EPCs and 1 April 2028 would also be considered
  compliant with the proposed standard until their EPC certificates expire.
  This will support providers who already have multi-year projects in train to
  achieve the current EER C and avoids delaying work to make homes
  energy efficient.
- 7. Chapter 3 is a call for evidence and invites views from providers on longer-term planning and decarbonisation beyond 2030, as well as views on the role of government in supporting the SRS to decarbonise.

# **Chapter 1: Introduction**

- 8. This consultation outlines the proposed approach to the introduction of Minimum Energy Efficiency Standards (MEES) to social rented homes in England for the first time. It complements the <u>recent consultation on improving MEES in the private rented sector</u> (PRS), which closed on 2 May 2025. We welcome views on the extent to which commonality between rented tenures is appropriate.
- 9. Government has a clear plan for change with five core missions. Improving energy efficiency standards is a critical step towards improving health outcomes for tenants, tackling fuel poverty and meeting our commitments to reduce domestic carbon emissions and make Britain a clean energy superpower by 2030. The ambition to get Britain building and deliver 1.5 million homes is also a core consideration within fundamental elements of this consultation. We must improve the energy efficiency of homes whilst balancing these requirements against the need to increase overall supply.
- 10. We want to put the right energy efficiency standard for the social rented sector (SRS) in place to deliver these outcomes. It is one of a series of wider reforms, such as reforms to the DHS and Awaab's Law, that government will undertake to ensure all social tenants have safe, warm and decent homes.

# Why introduce Minimum Energy Efficiency Standards?

- 11. There are currently no minimum energy efficiency requirements in the SRS. Since 2017, the share of social homes with an EPC rating A-C has increased from 52% to 72% and most private registered providers of social housing (PRPs) have plans in place to upgrade the remainder of their stock to at least EPC (EER) C by 2030. Setting a MEES for the SRS for the first time at EPC C or equivalent will build on this momentum and provide certainty to providers on requirements so that they can plan and invest in current homes and in building new homes.
- 12. If introduced, MEES would be included in the Decent Homes Standard (DHS). This will raise standards for tenants while allowing social housing landlords the flexibility to choose to install energy efficiency measures that are right for their properties.<sup>2</sup>
- 13. The DHS is the minimum quality standard that social homes should meet. Government is also reviewing the wider DHS to bring it up to date and ensure homes are fit for the future. The DHS consultation is <u>available here</u> and open for responses. Respondents should consider the package of reforms in the round.
- 14. Introducing MEES in the SRS would have 3 main benefits:
  - (1) Improving the decency of homes

<sup>&</sup>lt;sup>1</sup> DA7101: energy performance – dwellings from MHCLG: <a href="https://www.gov.uk/government/statistical-data-sets/energy-performance">https://www.gov.uk/government/statistical-data-sets/energy-performance</a>

<sup>&</sup>lt;sup>2</sup> See 'Implementing the standard' on page 32 for more information on how MEES will be introduced.

- 15. Energy efficient homes are more comfortable to live in. They retain their internal temperatures more effectively, wasting less heat in cold weather and staying cooler in the summer. This results in homes that are less prone to damp and more comfortable for tenants.
- 16. Improved energy efficiency is crucial to tackling damp and mould an adequately heated, ventilated and insulated home prevents condensation which causes damp and mould. There is a marked correlation between energy inefficient homes and the presence of damp and mould, with 20% of social renters in the least energy efficient homes suffering from damp problems, in comparison with only 3% of social renters in the most efficient homes.<sup>3</sup> The tragic death of two-year old Awaab Ishak in 2020 highlights the potentially devastating impact of damp and mould if left untreated. The Building Research Establishment (BRE) estimate that the potential savings to the NHS resulting from a fixing a category 1 level damp and mould hazard is nearly £9.8million per year (2019 prices).<sup>4</sup>
- 17. This means energy efficient homes that are warmer and more comfortable for tenants are also likely to have additional health benefits for the most vulnerable such as disabled tenants, the elderly and young children. Warmer homes are expected to ease the symptoms of several medical conditions and promote healthy development of children.

# (2) Achieving bill savings and reducing fuel poverty

- 18. Greater energy efficiency enables tenants to heat their homes more affordably. Our analysis of government's preferred MEES option predicts average annual bill savings across all homes upgraded of between £96 and £165 for tenants by 2030. Further detail of this analysis is available within the Impact Assessment (IA), published alongside this consultation.
- 19. Since 2020, the rise in energy prices has impacted the ability of many households to heat their homes adequately, with fuel poor households disproportionately affected. Bill savings are the best long-term method to tackle fuel poverty. The statutory fuel poverty target is to upgrade as many fuel poor homes as reasonably practicable to a minimum energy efficiency rating of Band C by 2030.
- 20. Whilst the average EPC scores across homes in the SRS compare favourably to other tenures, there remain significant levels of fuel poverty in homes below EPC C. In 2024, 55% of social homes in England with an EPC rating of D-G were

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<sup>&</sup>lt;sup>3</sup> Chapter 3: annex tables from EHS 21-22 housing quality and condition: <a href="https://www.gov.uk/government/statistics/english-housing-survey-2021-to-2022-housing-quality-and-condition/english-housing-survey-2021-to-2022-housing-quality-and-condition">https://www.gov.uk/government/statistics/english-housing-survey-2021-to-2022-housing-quality-and-condition</a>

<sup>&</sup>lt;sup>4</sup> Buildings Research Establishment (BRE) (2023) *The cost of poor housing in England by tenure*<a href="https://files.bregroup.com/corporate/BRE">https://files.bregroup.com/corporate/BRE</a> cost%20of%20poor%20housing%20tenure%20analysis%202023.pdf

<sup>5</sup> Fuel poverty in England is measured using the Low Income Low Energy Efficiency (LILEE) indicator. Under this indicator, a household is considered to be fuel poor if: they are living in a property with a fuel poverty energy efficiency rating of band D or below and when they spend the required amount to heat their home, they are left with a residual income below the official poverty line. <a href="https://www.gov.uk/government/collections/fuel-poverty-statistics">www.gov.uk/government/collections/fuel-poverty-statistics</a>

<sup>&</sup>lt;sup>6</sup> The Fuel Poverty (England) Regulations 2014

classified as fuel poor against the Fuel Poverty Energy Efficiency Rating (FPEER).<sup>7</sup>

# (3) Net zero and the energy performance of social rented homes

- 21. Homes currently contribute up to 20% of total greenhouse gas emissions in the UK.<sup>8</sup> Achieving net zero requires our housing stock's energy efficiency to improve and transition to low carbon heating. We need to have mostly eliminated emissions from our housing stock by 2050 and to have made significant progress this decade to meet our <u>Carbon Budgets</u>. There are 4 million households in the SRS in England, equating to 16% of all households.<sup>9</sup> In 2023-24, just under 30% of social rented homes in England were below EPC C.<sup>10</sup> Introducing MEES would support progress towards making social rented homes carbon neutral.
- 22. Moving to low carbon heating methods, such as air source and ground source heat pumps and connection to low carbon heat networks, will support our climate goals and reduce energy bills for tenants. Alongside fabric upgrades and smart measures to improve flexibility, low carbon heating options typically operate much more efficiently than their fossil fuel heating counterparts.
- 23. Government is exploring ways to further bring down the running costs of low-carbon heating, so that future households see the efficiency of their low-carbon heating systems translated into greater bill savings.

# **Related Policy Reforms**

- 24. The policy proposals set out in this consultation link closely with wider reform work being carried out to improve standards in the private and social rental sectors. These are set out below. Please use the information below to support responses in Chapter 2 (Consultation).
- 25. The key related policy reforms are:
  - a. **Energy Performance Certificates** Alongside updating EPC metrics (see Chapter 2 for more information), the <u>Energy Performance of Buildings</u> <u>consultation</u> proposes refining requirements for EPCs and Display Energy Certificates (DECs), improving data management protocols, strengthening quality control, and revising Air Conditioning Inspection Reports (ACIRs).
  - b. Government intends to consult later in 2025 on aspects of the Home Energy Model (HEM) and its application to EPCs. Final confirmation of the grades that social rented homes will be required to meet under MEES will follow once the HEM consultation response is published and the design of the EPC metrics is finalised.
  - c. **Awaab's Law**, which will be introduced to the social rented sector from October 2025. It will set new requirements for social landlords to address

<sup>&</sup>lt;sup>7</sup> Annual Fuel Poverty Statistics in England, 2025 (2024 data): https://www.gov.uk/government/statistics/annual-fuel-poverty-statistics-report-2025

B Department for Energy Security and Net Zero (2023), Final UK greenhouse gas emissions national statistics: 1990 to 2021, available at: <a href="https://www.gov.uk/government/statistics/final-uk-greenhouse-gas-emissions-national-statistics-1990-to-2021">https://www.gov.uk/government/statistics/final-uk-greenhouse-gas-emissions-national-statistics-1990-to-2021</a>
 Source: English Housing Survey 2023-2024 <a href="English Housing Survey 2023 to 2024: headline findings on housing quality and users and users are represented by the survey 2023 to 2024: headline findings on housing quality and users are represented by the survey 2023 to 2024: headline findings on housing quality and users are represented by the survey 2023 to 2024: headline findings on housing quality and users are represented by the survey 2023 to 2024: headline findings on housing quality and users are represented by the survey 2023 to 2024: headline findings on housing quality and users are represented by the survey 2023 to 2024: headline findings on housing survey 2024: headline findings are represented by the findings of the findings on

energy efficiency - GOV.UK

10 https://assets.publishing.service.gov.uk/media/6799e38c1c041dcc469dae78/2023-24\_EHS\_Headline\_Report\_Energy\_Efficiency\_Annex\_Tables.ods

- hazards such as damp and mould in social homes within fixed time periods, before extending to all hazards except overcrowding featured in the Housing Health and Safety Rating System (HHSRS) over the course of 2026 and 2027.
- d. The Decent Homes Standard, which has played a key role in setting the minimum housing quality standards that all social homes in England are required to meet since the early 2000s. Government is consulting in parallel on updating the DHS and extending it to the PRS. SRS MEES will be implemented through Criterion D (thermal comfort) of the DHS from the MEES compliance date (2030). The consultation on reviewing the DHS sets out proposals for other elements of criterion D, relating to the need for homes to have programmable heating, that will sit alongside MEES.
- e. A <u>revised MEES in the PRS</u> that will improve housing quality, reducing energy costs and supporting net zero by ensuring homes are warmer, more efficient, and less costly to heat. 11 This is part of a broader strategy to help tackle fuel poverty and lower carbon emissions, benefiting both tenants and landlords. While it is the ambition to align MEES across rental tenures, we recognise the need to take account of the specific circumstances of each.
- f. The development of **Future Building Standards** that will result in significant emissions reductions and efficiency increases compared to previous standards. These changes will keep us on track for our net zero targets, while ensuring that consumers get the best possible balance of efficiency, affordability and comfort for new homes.
- g. A <u>review of the 2021 Fuel Poverty Strategy</u> was published on 7 February 2025 alongside a consultation on a new fuel poverty strategy for England which ran until the 4 April 2025. <sup>12</sup> By updating the fuel poverty strategy, government wants to ensure that more households can afford to heat their home at a reasonable cost, slashing fuel poverty and improving their quality of life. We will provide a response to the consultation in due course.

# **Support for Social Landlords**

26. Government has committed to deliver the biggest increase in social and affordable housebuilding in a generation and to ensure that our existing homes are safe, decent and warm. To achieve this, we have announced measures at the recent Spending Review to increase the sector's capacity, confirming a rent settlement of CPI + 1% for ten years. The government is also publishing a consultation on how to implement a convergence measure, with options for this being capped at £1 or £2 per week— with a final decision to follow at this year's Autumn Budget. This complements the new £39 billion Social and Affordable Homes Programme which gives providers a decade of certainty over the capital funding they will have available to build new, more ambitious housing development projects.

<sup>&</sup>lt;sup>11</sup> Department of Energy Security and Net Zero, Improving the energy performance of privately rented homes: consultation document: <a href="https://www.gov.uk/government/consultations/improving-the-energy-performance-of-privately-rented-homes-2025-update/improving-the-energy-performance-of-privately-rented-homes-consultation-document-html">https://www.gov.uk/government/consultations/improving-the-energy-performance-of-privately-rented-homes-consultation-document-html</a>
<a href="https://www.gov.uk/government/consultations/improving-the-energy-performance-of-privately-rented-homes-consultation-document-html">https://www.gov.uk/government/consultations/improving-the-energy-performance-of-privately-rented-homes-2025-update/improving-the-energy-performance-of-privately-rented-homes-consultation-document-html</a>
<a href="https://www.gov.uk/government/consultations/improving-the-energy-performance-of-privately-rented-homes-consultation-document-html">https://www.gov.uk/government/consultations/improving-the-energy-performance-of-privately-rented-homes-consultation-document-html</a>
<a href="https://www.gov.uk/government/consultations/">https://www.gov.uk/government/consultations/</a>
<a href="https

<sup>&</sup>lt;sup>12</sup> Department of Energy Security and Net Zero, Review of the Fuel Poverty Strategy: <a href="https://www.gov.uk/government/consultations/review-of-the-fuel-poverty-strategy#:~:text=The%20government%20is%20now%20consulting.of%20the%20fuel%20poverty%20target</a>

- 27. Furthermore, the following interventions exist to support social landlords deliver their obligations for energy efficient homes both directly and indirectly:
  - We are investing £13.2 billion in the Warm Homes Plan (WHP) over the Spending Review period, in line with the Manifesto commitment. This is a major step forward in the government's plans to upgrade millions of homes across the country by accelerating the installation of efficient new technologies like heat pumps, solar, batteries and insulation. The Warm Homes: Social Housing Fund (WH:SHF) Wave 3 is providing £1.29 billion of grant funding for social housing landlords to improve the energy performance of their properties through the installation of energy efficiency measures and low carbon technologies from 2025/26 to 2027/28. Additional funding for social housing landlords through the WH:SHF will be set out in the WHP in October.
  - The Affordable Homes Guarantee Scheme 2020 provides low-cost, flexible and long-term loans to help fund investment in new and existing affordable homes across England, including those for social rent, affordable rent and shared ownership. The scheme can also be used to upgrade existing properties, making them warm and decent for tenants supporting private registered providers of social housing to deliver energy performance and housing quality measures whilst continuing to support new development. The total guarantee capacity increased from a maximum of £3 billion to a new maximum of £6 billion in early 2024 and the application window is open until April 2026.
  - The National Wealth Fund (NWF) announced in October 2024 that it will provide financial guarantees that will see Barclays UK Corporate Bank and Lloyds Banking Group deliver £1 billion of funding to accelerate the retrofit of social housing in the UK. In April 2025, the NWF announced a financial guarantee of up to £400 million to cover a series of new loans provided by NatWest Group to registered providers for the retrofit of social housing stock in the UK. In June, the NWF guaranteed an initial £150 million for The Housing Finance Corporation. This brings NWF's total support for social housing retrofit to £1.3 billion. By enabling £1.65 billion of lending through these guarantees, the NWF is ensuring that attractively priced financing is available to every aspect of the social housing market and caters to all needs.
- 28. Introducing this proposal alongside broader social housing reforms as part of our plan for a decade of renewal in social and affordable housing will give the sector much-needed clarity and certainty on how to improve energy efficiency, raise housing quality and ensure safety, while minimising disruption to tenants' lives and building new homes.

# **Devolution**

29. This consultation proposes a MEES to be implemented by Registered Providers of social housing in **England only**. <sup>13</sup> Energy efficiency is a devolved matter and social housing in Wales, Scotland and Northern Ireland should adhere to standards set out by the relevant devolved authorities. Although these proposals

<sup>&</sup>lt;sup>13</sup> A small number of social homes in Wales are owned by English providers that are registered with the RSH. These homes will be in scope of SRS MEES.

will mainly affect tenants of social housing in England (including licensees), we recognise that there are situations where Registered Providers of social housing have stock across England and Wales. We will work with the Welsh Government during the implementation phase to establish a position that works best for providers, tenants, and regulators.

30. Through the English Devolution White Paper, government has set out an ambitious new framework for English devolution, moving power out of Westminster to those who take decisions for and with their communities. The framework expands and deepens the powers and functions available to Mayors and Strategic Authorities, including new powers over housing and strategic planning. Government wants to see all of England access devolved power by establishing Strategic Authorities that can make the key decisions to drive economic growth.

#### **Retrofit standards**

- 31. We wish to ensure that any energy efficiency measures installed are of a high standard. The British Standards Institute (BSI) published PAS 2035/2030:2023 in September 2023. This represents an industry-wide approach to ensuring quality in the retrofit of people's homes and is freely available for download on BSI's webstore.<sup>14</sup>
- 32. To avoid any unintended consequences arising in properties being retrofitted, such as damp and mould, we recommend that the measures proposed in this consultation are installed by TrustMark-registered installers in accordance with the PAS 2035 standards, but we are not proposing that this becomes a requirement for SRS MEES. It is already a requirement for all energy efficiency measures installed through the WH:SHF, in alignment with requirements across all government funded schemes. Using TrustMark-registered installers provides assurance that businesses have been vetted for technical competence, customer service and good trading practices, it also provides consumers with access to redress if needed.
- 33. Microgeneration Certificate Scheme (MCS) are the leading quality assurance organisation for microgeneration (small scale renewable 50kW or smaller) technologies (such as heat pumps or solar panels) in the UK. MCS produces product and installation standards and runs an installer certification scheme. For a microgeneration installation to be eligible for government grant schemes like the Boiler Upgrade Scheme, it must be installed using a MCS approved product, by a MCS certified installer, to the relevant MCS installation standard for that technology (or by an equivalent scheme).
- 34. All MCS installers are required to be a member of a UKAS approved certification body, who assesses their competence and ability to meet MCS standards. All MCS installers are also currently required to be a member of a Chartered Trading Standards Institute approved consumer code, who offer Alternative Dispute Resolution (although MCS plan to take this inhouse during 2025/2026). It is not a

<sup>&</sup>lt;sup>14</sup> BSI webpage: <a href="https://www.bsigroup.com/en-GB/insights-and-media/insights/brochures/pas-2035-retrofitting-dwellings-for-improved-energy-efficiency/">https://www.bsigroup.com/en-GB/insights-and-media/insights/brochures/pas-2035-retrofitting-dwellings-for-improved-energy-efficiency/</a>

requirement for MEES that microgeneration installations are carried out by MCS registered installers. However, we recommend that MCS registered installers are used because it will ensure that an installation is carried out to a high-quality standard, using a product that has been rigorously tested, by a qualified installer. It also provides the strongest consumer protections, should there be problems with the installation.

35. While this system is working for many installations, the standards and accreditation process can be complex, and the accountability structures are not always clear. We also know the supply chain is constrained. Clear technical standards and strong consumer protection and redress are pivotal to ensure quality installations. We are therefore committed to improving the system, spanning from how installers working in people's homes are certified and monitored, to where homeowners turn to for rapid action and enforcement if things go wrong. This work is already underway by DESNZ, with existing frameworks being tightened, but we will set out further plans for reform as part of the Warm Homes Plan.

# **Climate Adaptation**

- 36. Government's vision for the action we are taking, including MEES, will make homes both warm and resilient to extreme temperatures caused by climate change. Government has been carrying out a programme of research to respond to the risks identified by the third Climate Change Risk Assessment from overheating to health and wellbeing and the energy system, indoor air quality, and building fabric. This research is closing evidence gaps by identifying the buildings most vulnerable to extreme heat and where these are located, as well as appropriate adaptation solutions. This work is informing the development of the Warm Homes Plan and we will also consider what further research is needed to develop housing standards to ensure this can support climate adaptation action in future years.
- 37. In October 2024, DESNZ published a report on the energy efficiency retrofit measures in homes and their impact on summer overheating. This confirmed that energy efficiency measures, if correctly installed, are unlikely to exacerbate the risk of overheating. In particular, loft insultation, when installed with adequate ventilation was found to reduce risk of overheating. This highlights the importance of good quality installations.
- 38. The PAS 2035/2030:2023 specification has strengthened the guidance and requirements for climate resilience and adaptation in retrofit. As above, we therefore recommend providers have measures installed by Trustmark-registered installers in accordance with the PAS 2035 standards when improving homes to meet MEES.

<sup>&</sup>lt;sup>15</sup> Energy Follow-Up Survey (EFUS) overheating in homes www.gov.uk/government/publications/energy-follow-up-survey-efus-overheating-in-homes

# **Chapter 2: Consultation**

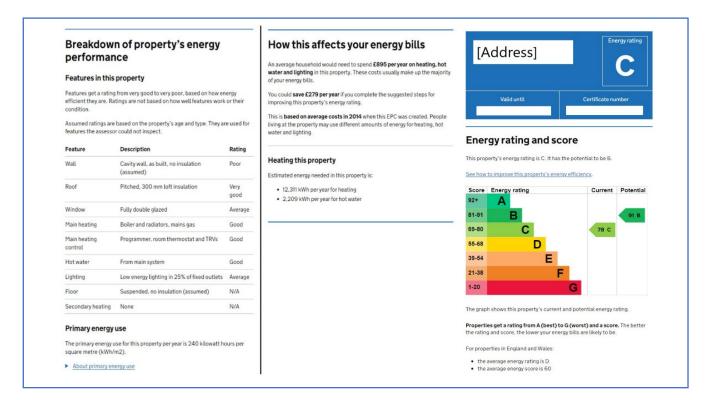
# **Setting a Minimum Standard**

- 39. This chapter seeks views on the options for the metric(s) used to assess compliance, timing and implementation support for setting a MEES of EPC C or equivalent by 1 April 2030 for the SRS.
- 40. There is currently no MEES that applies to the SRS. At the moment, providers must comply with the Decent Homes Standard (DHS), which sets a thermal comfort criterion broadly equivalent to EPC F. Government's proposal is to introduce a standard for the first time and link this to the Thermal Comfort criteria in the DHS setting the standard at EPC C or equivalent by 2030.

# What is an Energy Performance Certificate (EPC)?

41. EPCs are the method by which properties are assessed for energy efficiency. EPCs are currently provided by a qualified assessor using the Reduced data Standard Assessment Procedure (RdSAP) which calculates how much energy a home uses (for example through heating or lighting) against what it loses (for example, through poor insulation) as well as considering the type of property, its age and construction. The assessor then gives the property a score out of 100 based on the assessment and assigns a rating from A to G, with A being the most efficient and G being the least efficient. A score of 100 on the EER metric displayed on existing EPCs means that there is no energy cost to the tenant. Properties that generate more energy than they use (for example, through solar panels) are given a score over 100. Alongside this score will be a 'potential' score and a list of potential improvements to the property as well as an estimated rating once these are completed.

Figure 1: Sample Energy Performance Certificate



#### **Future EPC Reform**

- 42. The 'Reforms to the Energy Performance of Buildings Regime' 16 consultation (published in December 2024) proposes that domestic EPCs use four headline metrics in future to assess energy performance and would replace the current EER methodology. We propose to use one or a combination of the revised metrics to set MEES for the social rented sector. These metrics are:
  - The fabric performance metric this would assess energy performance based on the fabric efficiency of the building and would provide recommendations that improve this. Possible measures could include insulation and double glazing. Installing these measures could improve thermal comfort, reduce heating demand, and enhance the efficiency of heating systems. Furthermore, appropriate fabric interventions could support a heat pump to work most efficiently in a home.
  - The heating system metric this would assess energy performance based on the efficiency and emissions of the building's hot water and heating systems and potentially cooking appliances. This metric could rank different heating systems based on environmental impact, efficiency, and how well they align with achieving net zero emissions goals. It would incentivise energy efficient low-carbon options, such as heat pumps, over inefficient direct electric heating and carbon-intensive fossil fuel systems. In addition to heat pumps, possible measures recommended include heating controls, heat

<sup>&</sup>lt;sup>16</sup> https://www.gov.uk/government/consultations/reforms-to-the-energy-performance-of-buildings-regime

- emitters (radiators), hot water cylinder upgrades, cylinder insulation, and solar water heating.
- The smart readiness metric this would assess energy performance based on the optimisation of the building's energy usage and its ability to integrate with a flexible energy system. Improving the smart readiness of the building would enable the occupier to use energy more efficiently to reduce their energy bills. Improving energy efficiency by potentially having access to smart-specific forms of renewable energy and providing tenants with information regarding their energy usage. Possible measures driven by this metric would include solar panels, batteries and other load shifting appliances, and smart meters to enable tenants to access smart tariffs and services that can enable residents to access cheaper rates for the energy that they use.
- The energy cost metric this would most closely resemble the existing EER metric by assessing buildings based on the modelled energy costs per square metre. It would consider the energy costs for heating, hot water, lighting, pumps and fans for the building, but could also factor in the cost of the energy for cooking. Possible measures driven by this metric would include the fabric improvements mentioned above, more efficient gas boilers, and solar panels.
- 43. The EER, as the previous methodology, will no longer be used as the primary way of assessing energy performance, but it is planned to be displayed alongside new metrics during the transition period to ensure duty holders are clear about any compliance requirement they need to meet, either on current or future requirements.
- 44. This revised EPC design will help providers to comply with regulations that use EPCs and support retrofit decision-making. Government will provide further information on EPC design in due course.
- 45. Government will be able to give final confirmation of the grades for each metric that social rented homes would be required to meet to comply with MEES once the response to the HEM consultation is published and the design of the EPC metrics is finalised.

# Using post-reform EPCs to assess compliance with MEES

- 46. The existing EER cost metric and methodology for assessing compliance is well understood in the SRS and we know that most providers have either already met or plan to meet EPC C by 2030 using this metric. However, EPC reform provides an opportunity to use one or a combination of the new metrics as the basis for setting a MEES. This will enable MEES to better deliver its objectives of improving thermal comfort and health outcomes for tenants, reducing fuel poverty and helping decarbonisation. We plan to use a combination of the fabric performance, smart readiness or heating system metrics outlined above to set MEES.
- 47. It would theoretically be possible to set MEES based on the new energy cost metric (aligning mostly with current EPC headline metric, EER) that will be displayed on the post reform EPC certificate. However, we have chosen not to propose this in this consultation as there would be significant drawbacks to using

this approach to set future MEES. Reasons for this are that energy price-based metrics can be affected by fluctuating energy prices without any additional work being undertaken on the building, or create anomalies that disincentivise low carbon heating adoption due to the higher unit costs of electricity compared to gas, which would undermine the aims of this policy.

- 48. However, for the purposes of demonstrating existing EPC C compliance, we expect that EER will remain as a legacy metric and be displayed on post reform EPC certificates for a period. Please see page 38 of this consultation on transition periods for more information on when this might be relevant.
- 49. Therefore, the Government preference is to apply one, or a combination of the new proposed alternative metrics: Fabric, Heating System or Smart Readiness as the new headline measure of energy efficiency.
- 50. We are seeking views on the following options, all using incoming EPC metrics:
  - Option 1 (the government preferred option): set a standard to meet a primary Fabric Performance metric and a secondary Smart Readiness or Heating System metric by 2030.
  - **Option 2**: meet a standard set against a Fabric Performance metric only by 2030.
  - Option 3: Meet a standard set against specified dual metrics by 2030.
     Possible combinations are: Fabric Performance and Smart Readiness, or Fabric Performance and Heating System, or Smart Readiness and Heating System.
  - **Option 4A**: Meet a standard against an average of all three metrics, Fabric Performance, Smart Readiness and Heating System by 2030
  - **Option 4B**: Meet a standard against two of the three metrics, Fabric Performance, Smart Readiness and Heating System (at the landlord's discretion of which two) by 2030.
- 51. The following implementation proposal information can be used to inform your metric proposal thinking. An overview of the government proposals has been outlined in the table below (figure 2), with page references to each section for further information and accompanying analysis. Respondents should also consider how well the metrics, when considered alongside the implementation proposals, consider the issues around rural properties and the challenges they present. For example, where rural areas face challenges meeting MEES outside of their control, such as limited access to reliable broadband (necessary for operating smart meters) or where the installation of heat pumps may not be well-suited to older properties.

Figure 2: Implementation Proposals Overview

Implementation Proposals	Page
Time Limited Spend Exemption	33-38
Government proposes that there is a time-limited spend exemption for	
providers, meaning the maximum a provider would be required to spend	
to comply with MEES between now and 1 April 2030 is £10,000 per	
property. If the property still does not meet the minimum standard after	

the £10,000 expenditure, the exemption would allow providers to delay meeting the proposed minimum standard for a further 10 years from	
2030.	
<u>Transition Period</u>	38-40
Government proposes that social rented homes achieving EER C	
against existing EPCs, before new EPCs are introduced, would be considered compliant with the standard until those EPCs expire. We also	
propose Social rented homes that meet the existing EER C standard	
between the introduction of the new EPCs and 1 April 2028 would also	
be considered compliant with the proposed standard until their EPC	
certificates expire.	

- 52. Respondents should note that in the absence of detailed definitions, modelling of impacts in this consultation has been carried out with proxy definitions of the new EPC metrics and illustrative targets. These definitions and targets should not be taken as an indication of how the new EPC metrics or the higher standards for the SRS will ultimately be defined. Their use is solely to illustrate what can be achieved by basing SRS standards on the different elements of property performance (fabric performance, adoption of smart and energy generation technologies and heating performance) and to give a sense of the number of properties affected and the magnitudes of costs.
- 53. This approach has been taken to enable government to consult on SRS MEES as soon as possible, instead of delaying until after the conclusion of the EPC reform and HEM consultations. Please see pages 29-35 of the Impact Assessment published alongside this consultation for more information on how costs and benefits for different options for SRS MEES have been calculated.

# Options for assessing compliance

Option 1 (Government preferred option) – Dual metric approach: fabric performance with provider choice of heating system or smart readiness

- 54. Government's preferred option for MEES is for providers to meet a standard for fabric performance first and then for providers to choose to meet either the smart readiness or heating system standard. This is in line with the proposals that were recently consulted on for the PRS. Focusing on fabric measures will improve the thermal comfort and overall decency of homes, reducing energy bills for tenants and reducing incidences of damp and mould. In practice, this means that providers would be required to prioritise investment in measures such as loft insulation, to achieve a fabric standard of EPC C. We anticipate this would align with most providers' current business plans on fabric improvements. Upgrading the fabric of social homes will support providers to prioritise the thermal comfort of tenants and ensure properties are ready for the installation of low carbon heating systems as existing heating systems come to the end of their life.
- 55. Once the fabric standard is satisfied, providers would then have flexibility to choose whether to meet the smart readiness or heating system metrics by 2030. Both the fabric performance standard and the second metric standard (heat or

smart) must be met by 2030. Using this dual metric approach incentivises measures such as solar installation or low carbon heating that will move us towards net zero and drive further bill reductions. Offering providers a choice of how they comply with the secondary metric allows providers to assess the condition of their housing stock and implement improvements according to a range of factors, including tenant preference, affordability and tenant outcomes.

56. A time-limited spend exemption, if put in place, would set out the maximum amount providers are required to invest in the property before being given additional time to meet MEES. Page 33 of this consultation sets out proposals for how the time-limited spend exemption would apply to MEES.

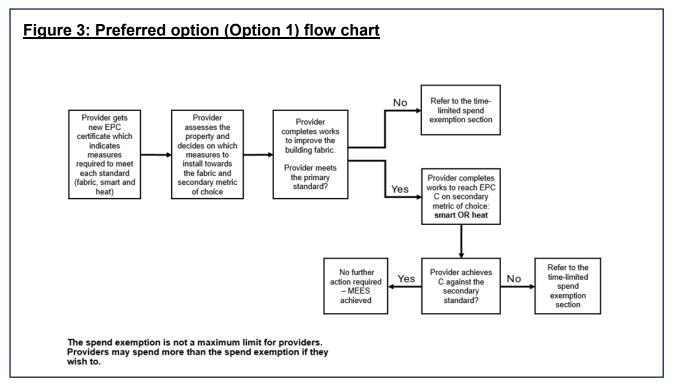
#### Providers choosing smart readiness as the secondary metric

- 57. To achieve post-reform EPC C against the smart readiness metric, an EPC may recommend installing measures such as smart meters, solar panels, heat batteries, and other load-shifting appliances. These measures would improve the flexibility of the building's energy demand, enabling the tenant to improve the efficiency of their energy use, which when coupled with fabric measures may help to maximise energy bill savings for the tenant, supporting overall fuel poverty reduction ambitions.
- 58. As the final definition of the smart readiness metric and measures that would contribute to meeting EPC C through this metric are not yet available, modelling presented has assumed that a smart metric would require installation of Photovoltaic (PV) Solar for the purposes of cost analysis and respondents should consider this a proxy metric for the basis of their responses. Clarity on what this metric will include will be provided on conclusion of HEM and EPC reform consultation and outcomes. See page 19 of the Impact Assessment for more information on how this metric has been modelled.

#### Providers choosing the heating system as the secondary metric

- 59. To achieve EPC C against the post-reform EPC heating system metric, an EPC may recommend installing a heat pump, improving heating controls or improving radiators. These measures would enable the low carbon heating to be installed which, coupled with fabric measures, should help ensure the heating system is operating efficiently and on an affordable basis.
- 60. As the final definition of the heating system metric or what measures would likely contribute to meeting EPC C against the metric are not yet available, government has assumed that a heat metric would require installation of an air source heat pump or equivalent for the purposes of cost analysis. Respondents should consider this a proxy metric for the basis of their responses. See page 19 of the Impact Assessment for more information on how this metric has been modelled.
- 61. Figure 3 below shows the decision points for providers and worked examples based on the above. These have been provided for illustrative purposes only;

decisions will depend on the final metric definitions under HEM and the choices providers make to comply with MEES.



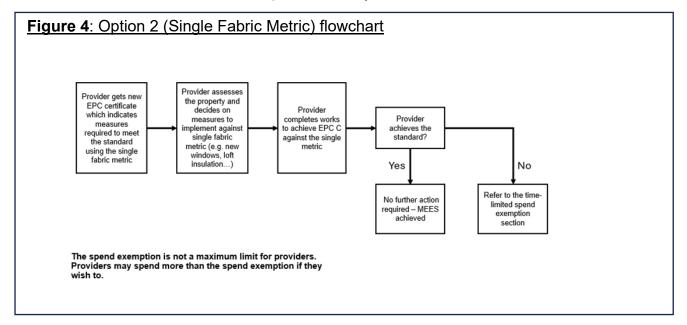
Please see Annex C for illustrative examples of how this option may work in practice.

#### **Option 1: Costs and outcomes**

- 62. Our initial analysis estimates that this option, depending on other decisions regarding implementation, would cost between £4,500 £5,300 per property. It could achieve average annual bill savings across all homes treated of between £96 165 for tenants by 2030, taking between 347,000 and 401,000 homes out of fuel poverty. This option could support the highest number of homes, treating between 1,671,000 and 2,091,000 households (See Figure 8 below which compares each option under consideration).
- 63. As outlined previously, there is some uncertainty in the modelling due to precise definitions of post-EPC reform metrics not yet being available. The final cost would also depend on which secondary metric is chosen by providers to comply with MEES. To ensure modelling covers the range of approaches that may be taken by providers in this scenario, the lower range is based on social housing providers meeting a secondary smart readiness metric and the higher range is based on providers taking a 50/50 split between choosing either the heating system or smart readiness as the secondary metric. See page 23 of the Impact Assessment for more information on how government's preferred option for MEES has been modelled.

# Option 2 – Single metric approach: fabric performance

- 64. This option would require providers to focus works on improving the fabric efficiency of the property only. For example, this could include cavity wall insultation, double glazing for windows, loft insultation. These would be similar measures to those currently take to achieve EPC C using the existing EER methodology.
- 65. Focusing solely on fabric would ensure that social housing is at a sufficient standard before providers install low carbon heating or smart measures. However, this comes with smaller fuel poverty reductions, bill savings and carbon savings compared to options that require a secondary standard to be met. Figure 4 below shows the decisions a providers may take.



# Please see Annex C for illustrative examples of how this option may work in practice.

#### **Option 2: Costs and outcomes**

- 66. Although a single fabric metric would be less impactful in reducing carbon emissions compared to other options, appropriate fabric interventions could support a heat pump to work most efficiently in a home.
- 67. Our analysis indicates that depending on where the time-limited spend exemption is set (see page 3333 of this consultation) it would cost on average £3,653 per property to comply with the standard, the cheapest of all approaches proposed. This would reduce household bills by up to £150 per annum on average, taking up to 269,000 homes out of fuel poverty. See page 38 of the Impact Assessment published alongside this consultation for analysis of the impacts of Option 2.

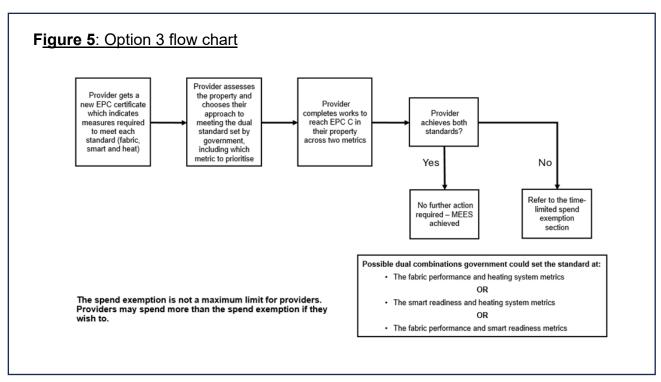
# Alternative approaches to setting the standard against dual metrics

68. The Government is aware that there are other approaches to setting a dual metric standard or areas where providers may wish to have additional flexibility in terms of how to meet the new standard. Therefore, we also wish to seek views on

- alternative approaches to using combinations of these new metrics to set a new standard. Government would welcome views on these alternative options and any other proposals respondents have.
- 69. Due to the uncertainty in the precise definitions of future EPC metrics and provider intention, we have been unable to provide indicative costs and outcomes for Options 3, Option 4A and Option 4B. Further assessment would be undertaken if any of these options were to be taken forward.

# Option 3 – A requirement to meet a standard set against specified dual metrics

- 70. This option is also a dual metric approach which would require providers to meet a standard set against two specified metrics without the government expressing a preference of which to do first. This differs from the preferred option by not requiring fabric performance works first, giving providers discretion to choose which metric to prioritise. The three possible variations of this option are:
  - The fabric performance and smart readiness metrics this could maximise the number of cost-saving measures installed, resulting in greater bill reductions and fuel poverty alleviation. However, low carbon heating systems would not be recognised under this approach
  - The fabric performance and heating system metrics this could enable low carbon heating systems whilst ensuring buildings have a sufficient level of thermal comfort and lower heat loss to allow the heating system to be operated efficiently and affordably
  - The smart readiness and heating system metrics this could enable low carbon heating systems whilst ensuring the potential higher costs of operating the heating system are offset by savings through the use of measures such as solar panels, heat batteries, and access to time-of-use tariffs.



71. With this approach, there would be no requirement for the provider to prioritise a specified metric first. However, there is a risk that, if the provider cannot install all recommended measures to meet the standard within the proposed spend exemption (see page 33 of this consultation), the measures that are installed may not be the most effective in maximising energy use potential or in reducing the fuel costs to benefit residents compared to Option 1. For example, with standards set using the fabric performance metric and heating system metric, providers may opt to first invest towards low carbon heating systems. This could then lead to the landlord only needing to invest a small amount further to improve the fabric performance of the building under the spend exemption. In such a circumstance, the building's fabric may not be improved sufficiently to ensure the heating system is operating as efficiently and affordably as possible, limiting reductions in fuel bills.

# Please see Annex C for illustrative examples of how the options may work in practice.

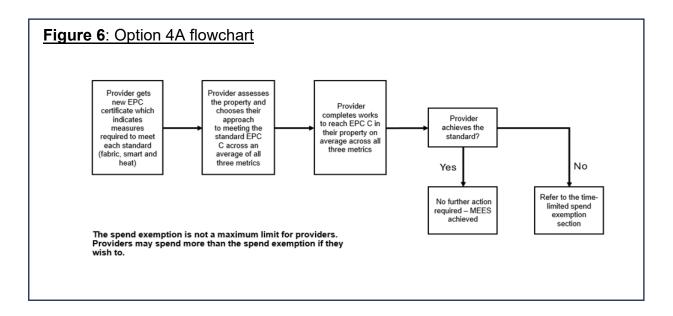
#### **Option 3: Costs and outcomes**

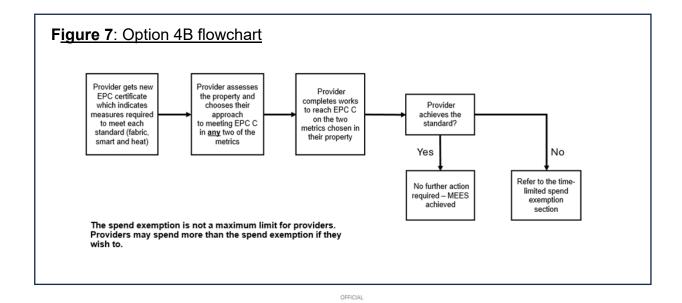
72. Given that the impact of the dual metric option will depend on choice of metrics and the order in which works are completed, the costs and benefits of meeting each single-metric option has been presented in the accompanying Impact Assessment for simplicity (see page 41). These impacts should be viewed as maximal impacts from all providers meeting that standard. Therefore, to interpret the impact of a dual metric option, the relevant single-metric options should be considered in parallel. For example, we estimate that meeting a fabric-only option (£10k spend exemption) would cost the sector £2.6 billion, treating 874,000 homes and removing 269,000 homes out of fuel poverty. Whereas, meeting a smart readiness only option (£10k spend exemption) would cost the sector £8.1billion, treating 2.03 million homes and removing 401,000 homes out of fuel poverty. Therefore, outcomes of dual metric combinations would sit between the two modelling scenarios selected. For example, for a dual fabric performance and smart readiness metric combination, it is estimated overall cost to the sector would be between £2.6billion (fabric performance only costs) and £8.1billion (smart readiness only costs).

# Options 4A and 4B – Allowing providers maximum flexibility in which standards they meet

- 73. Some providers may wish for additional flexibility to install measures according to the needs of their housing stock. For example, it may be challenging to install additional insulation in a property but appropriate to install solar panels and a new heating system. We have considered two ways providers could meet MEES flexibly below.
  - h. Option 4A- Providers would need to meet an average standard, set at EPC C or equivalent, across the three metrics (fabric, smart and heat). A provider could choose to meet EPC A or equivalent on one metric, and EPC D on the other two and still meet MEES, depending on where

- an average standard is set. This option would need to be developed further following the outcomes of EPC reform consultation.
- i. Option 4B- A minimum standard equivalent to band C is set against all three metrics, allowing the provider to choose two metrics to meet MEES for each property. This means that providers could choose any combination of the three proposed metrics rather than this being prescribed by government.
- 74. The increased flexibility in these options means that the benefits to residents and carbon savings would be highly dependent on provider's retrofit decisions.





Please see Annex C for illustrative examples of how the options may work in practice.

#### Options 4A and 4B: Costs and outcomes

75. Due to the uncertainty in the precise definitions of future EPC metrics and provider intention, we have been unable to provide indicative costs and outcomes for these options (4A and 4B), but we anticipate that the benefits of this option would fall within the broad range of costs outlined for the preferred option (fabric plus heat or smart). There is less certainty about outcomes due to a wide range of potential measures or combination of measures that would be installed. A more precise methodology for decision making under either Option 4A or 4B would be provided along with cost information should this option be taken forward.

# Comparing the options

- 76. As outlined above, government's preferred approach for setting a MEES for the SRS is to require providers to meet a dual metric standard, with a primary fabric performance standard and then a choice of a secondary standard, either smart readiness or heating system (Option 1). Given the prevalence of fuel poverty in the SRS, it is important that government's approach drives a consistent level of thermal performance across the sector as a primary outcome which is why we have prioritised the fabric metric. Improving the fabric of a building will mean that low carbon heating systems such as heat pumps and heat networks are able to run more efficiently and with lower running costs for tenants.
- 77. Having a choice of secondary metric will give providers a flexible approach to assess the best way to meet the standard based on their knowledge of their housing stock and other operational factors.
- 78. However, government appreciates that cost will be a consideration for providers as well as outcomes for tenants, and the preferred option is more expensive than achieving EPC using the current EER C metric. While a single fabric measure has lower benefits for carbon savings and fuel poverty reductions, this option also has a lower cost per property for the landlord.
- 79. Figure 8 below shows the key outcomes for government's preferred Option 1 and Option 2. The range in Option 1 is based on predictions of how providers will choose their secondary metric: the lower range is based on social housing providers meeting a secondary smart readiness metric and the higher range is based on social housing providers choosing a 50/50 split between the heating system or smart readiness as the secondary metric. Two scenarios from Option 3 are also presented, fabric then smart readiness and fabric and then heating system. We have not modelled a scenario based on smart readiness with heating system as an adequate level of fabric performance for a heating system is needed for these measures to be operational. As explained above, if Options 4A or 4B were to be taken forward, a precise methodology and modelling would be provided at that point.
- 80. The outcomes presented in this consultation and related IA are based on simplified, optimistic scenarios of how many properties will be upgraded and the impacts should be viewed as maximal outcomes. The analysis is included to

support consultees in answering the consultation questions, rather than to provide definitive impacts of the proposed SRS MEES options. See pages 17-20 of the Impact Assessment for more detail on how the proxy metrics for SRS MEES have been determined.

Figure 8: Option Comparison Table

	Modelling Scenario 1: Fabric then Smart	Modelling Scenario 2: Fabric only	Modelling Scenario 3: Fabric then Smart	Modelling Scenario 4: Fabric then Heating
	or Heat	metric	Readiness	System
		Affordability	1	,
Total Capex (until end of appraisal period)	Middle capex £7.8billion - £8.2billion	Lowest capex £2.6billion	Highest capex £8.2billion	Middle capex £7.4billion
Average cost per home	Middle average cost per home £4,488 - £5,292	Lowest average cost per home £3,653	Middle average cost per home £4,488	Highest average cost per home £6,642
	Fuel	poverty and bill	savings	
Fuel Poverty target	Average homes out of FP 346,635 - 402,715	Fewest homes taken out of FP 268,698	Most homes taken out of FP 402,715	Average homes out of FP 290,554
Bill savings per homes treated (2030) (£/yr)	Moderate bill savings £96 - £165	Moderate bill savings £150	Highest bill savings £165	Lowest bill savings £4
Carbon savings				
Carbon savings - alignment with carbon budgets	High carbon savings 9.58 - 25.66 MtCO2e; lifetime carbon savings	Lowest carbon savings 8.32 MtCO2e; lifetime carbon savings	Low carbon savings 9.58 MtCO2e; lifetime carbon savings	Highest carbon savings 41.57 MtCO2e; lifetime carbon savings

**Question 1**: Do you agree that the government's preferred option (option 1- dual metric approach) to set a minimum energy efficiency standard for the SRS is the most suitable option?

- Yes
- No
- Don't know

#### Please explain your answer

**Question 2: If you do not agree**, which, if any, of the other metric options outlined would be your preferred approach to set a minimum energy efficiency standard for the SRS?

- Option 2: A fabric performance metric only, by 2030.
- Option 3: Specified dual metrics, by 2030, either:
  - o Fabric Performance and Smart Readiness
  - o Fabric Performance and Heating System
  - o Smart Readiness and Heating System.

- Option 4A: An average of all three metrics (Fabric Performance, Smart Readiness and Heating System), by 2030.
- Option 4B: Two of the three metrics, at the provider's discretion, (Fabric Performance, Smart Readiness, Heating System), by 2030.
- None of the above
- Not applicable
- Don't know

## Please explain your answer

**Question 3:** Are there any other approaches to setting MEES that should be considered (such as an energy cost-based approach)?

- Yes
- No
- Don't Know

## If you have selected yes, please explain your answer

Question 4: If you are answering as a registered provider of social housing, after taking into account your future business plans and the provided assumptions for the requirements for the government's preferred option (Option 1), which secondary metric would you be most likely to choose for the majority of your housing stock? Please explain your answer.

- Smart Readiness
- Heating System
- Don't know
- Not applicable

#### Please explain your answer

# **Compliance date**

- 81. Government proposes to require properties to meet the minimum standard by 1 April 2030, meaning that providers have up to and inclusive of 31 March 2030 to meet MEES. This gives the sector time to review existing plans, secure investment and complete works. Our engagement with the sector suggests that many providers are already working towards achieving EPC C (using EER metrics) by this date and setting an earlier compliance date would not be feasible.
- 82. A 2030 compliance date for MEES also supports meeting the 2030 statutory fuel poverty target, and government commitments to carbon reduction and deliver greater carbon savings towards the fifth carbon budget (2028-32) by bringing forward the installation of carbon saving measures. A compliance date of 2030 also avoids unnecessarily delaying bill savings and thermal comfort improvements for tenants.
- 83. However, given that the proposed standard goes further than current understanding of EPC C, there may be advantages to a longer implementation

timeline. Our initial estimate is that this would not materially affect the overall cost to the sector and would delay tenants receiving benefits of warm homes, but we welcome views on alternative options.

84. We are proposing that implementation of MEES will form part of Criterion D of the Decent Homes Standard (DHS). We have also published a consultation on proposed revisions to the Decent Homes Standard, with a suggested implementation date of either 2035 or 2037. As we are proposing MEES will come into force by 2030, we will make clear the arrangements for implementing the standard at this point in due course as part of the government response, if this is the final approach.

**Question 5:** Do you agree with the proposal for social homes to comply with MEES by 1 April 2030?

- Yes
- No
- Don't know

Question 6: If you have answered no to Question 5, do you have a view on alternative options for setting the compliance date, for example either earlier or later than 2030?

Please explain your answer.

# Implementing the standard

- 85. MEES will be regulated by the RSH as part of the DHS. This differs from enforcement in the PRS which will be the responsibility of local authorities to regulate. The RSH regulates at the landlord level to drive improvement in how landlords operate. More information on the RSH's regulatory approach can be found <a href="https://example.com/here">here</a>.
- 86. The new minimum energy efficiency standard will be implemented following a direction to the RSH. Once the Regulator has received direction about the new requirements, we expect that the Regulator will consult on its revised Safety and Quality standard.

## Homes that do not meet the standard

87. Exemptions that apply to compliance with the overall DHS would apply to MEES. For some properties, local circumstances mean it will be prohibitively difficult to meet the standard. This may be due to the property (e.g. planning restrictions preventing the landlord from making changes to the layout of the property in line with requirements under criterion C), the occupants not allowing access or the landlord (e.g. the landlord intends to sell the property). There may also be challenges relating particularly to rural properties, such as connectivity and suitability of installation of measures in heritage properties and therefore respondents should consider a provider's entire housing stock, including such properties, when responding to this consultation.' Therefore, to account for these

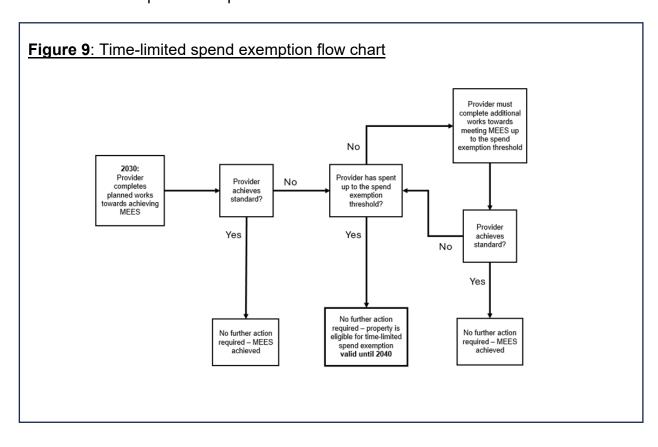
- circumstances, we propose that exemptions that apply to compliance with the overall DHS would also apply to MEES.
- 88. Large RPs declare annually through the Statistical Data Return to the Regulator of Social Housing the number of their properties which do not meet the DHS and the number of their properties which they assess are exempt from meeting the DHS requirements. This is outlined in the <a href="accompanying consultation on reforming the DHS">accompanying consultation on reforming the DHS</a> and we would expect providers to also report the number of properties that do not meet MEES which they assess as exempt (as part of Criterion D of the DHS).
- 89. Section 7 of the <u>DHS consultation</u> outlines both the current exemptions in the DHS as well as the proposals for the SRS to include the following specific circumstances in which it may not be possible to meet the standard:
  - Tenant refusal of access (with enhanced guidance): there will be some situations where access to properties may pose issues, however, exempting landlords from meeting the DHS where tenants refuse access for remedial works requires careful consideration. The consultation proposes encouraging providers to engage proactively with tenants to address any concerns they may have about providing access. Government would provide clear and detailed guidance on what landlords should record to demonstrate that the relevant steps have been taken when this issue arises
  - Physical or planning factors preventing compliance: In certain cases, structural limitations or planning restrictions may make it impractical or impossible to carry out necessary improvements. For instance, heritage buildings may be subject to listing constraints that restrict the extent of possible works. In such a case, we would expect providers to demonstrate they have carried out the maximum amount of energy efficiency upgrades possible before an exemption applies
  - Exemptions due to sale, demolition, or planned regeneration of properties: In such scenarios, investing in extensive repairs or upgrades may be impractical and economically challenging, and we acknowledge the reality that resources are better allocated towards long-term solutions rather than temporary fixes.
- 90. Respondents are encouraged to consider the applicability of these exemptions to MEES which will form part of our DHS considerations. To provide views, please respond to the DHS consultation.

# **Time-limited Spend Exemption**

- 91. Further to the proposed exemptions outlined above for the wider DHS, government is also proposing a time-limited spend exemption. This is specific to SRS MEES and does not relate to any other aspect of the DHS.
- 92. While government wants all properties in the SRS to become energy efficient, where costs to upgrade individual properties are extremely high, spend on MEES should be balanced against spend on other important priorities. If a provider can demonstrate that they have spent up to a set amount on energy efficiency and/or

other relevant measures and the property has still not met MEES, the property would be seen as exempt. Measures that count towards the spend exemption would be any measure that improves the HEM score of the property towards MEES. The threshold is not intended to be a limit on spending and providers would be welcome to spend more if they are able.

- 93. Any spend exemption would be time-limited for ten years from the 1 April 2030 compliance date, by the end of which the property would be expected to meet the standard in full (subject to a potential further spend exemption) and would be subject to any future energy efficiency requirements. This means providers would have to conduct further work to meet the standard before the spend exemption expires (in 2040) so that the property does not lapse into non-compliance with MEES when the spend exemption runs out. Figure 9 below summarises the proposal.
- 94. All spending that improves the property towards MEES, including grant funding, would count towards the spend exemption. Figure 9 below shows the decisions providers would take under the spend exemption. Costs incurred from the date that the Government response to this consultation is published will contribute towards the spend-exemption.



#### **Preferred approach**

- 95. Government's preferred approach is to set the spend exemption at £10,000 per property. £10,000 enables 1.3 1.8 million homes to meet the standard. This would enable average annual bill savings of £96 £165 per household. Modelling based on 2025 prices indicates that, on average, providers would be required to invest between £4,488 £5,292 in order for each property to reach MEES.
- 96. This approach differs from the preferred approach outlined in the PRS MEES consultation, which proposed setting a spend exemption at £15,000.
- 97. Government recognises there is value in having common standards across both tenures. However, there are important differences between the SRS and PRS. SRS landlords often have larger stock, allowing them to benefit from economies of scale, completing works at volume therefore benefiting from lower average costs per product. In comparison, almost half (45%) of PRS landlords own one rental property. Truthermore, there are multiple additional housing priorities which SRS providers are contending with, such as investing in new supply to meet government's ambition to build 1.5 million new homes by the end of this parliament, delivering the biggest increase in social and affordable housebuilding in a generation.
- 98. Government believes this requires a tailored approach. A £10,000 spend exemption would enable providers to progress towards meeting MEES and achieve the core policy aims of reducing fuel poverty and household carbon emissions, whilst supporting providers to balance their finances and address competing housing priorities. However, as we propose that the spend exemption is time limited for 10 years, providers would have to complete any additional measures to comply with MEES once the 10-year duration of the exemption has passed.

#### **Alternative options**

- 99. Government's preferred approach currently is to have a spend exemption of £10,000 per property. However, we summarise here two other options, on which we also welcome your feedback. There may be reasons now or in the future why alternative options could be considered to be more appropriate.
- 100. Setting the spend exemption at £15,000 would increase the number of homes in scope of SRS MEES which would have a greater impact on reducing fuel poverty and making more homes warmer and cheaper to heat, as well as having a greater impact on reducing carbon emissions. We anticipate that this option would lead to greater numbers of providers choosing to install low carbon heating in their homes, while protecting providers from being required to spend very high amounts on properties that are expensive to retrofit before 2030. Although a £15,000 spend exemption would increase homes meeting the standard by 2030 by 200,000 properties, the difference in average bill savings per household

<sup>&</sup>lt;sup>17</sup> English Private Landlord Survey 2024: main report <a href="https://www.gov.uk/government/statistics/english-private-landlord-survey-2024-main-report/english-private-landlord-surve

(compared to a £10,000 spend exemption) is minimal, at an extra £16 saved on average per year. Modelling of this option indicates that the impact on Fuel Poverty is a difference of 25,200 homes being taken out of fuel poverty, in comparison to a £10,000 spend exemption.

101. An alternative option would be to set no spend exemption for SRS MEES. This would require providers to meet MEES for all properties, regardless of the cost per property of doing so. This would maximise the benefits for tenants, however we recognise that there are some homes that will be very expensive to treat, and this option would place a significant financial burden on some providers, to the detriment of other priorities.

#### **Supporting analysis**

102. Government has published an Impact Assessment alongside this consultation document, in which a cost benefit analysis of options for both a £10,000 and £15,000 per property spend exemption, as well as a version with no spend exemption, has been undertaken. Figure 10 below shows a summary of this analysis based on the government preferred metric option. For simplicity, the numbers presented below reflects the lower bound estimate of our preferred policy option, based on all social housing landlords choosing smart readiness for their secondary metric:

Figure 10: Comparison of impact across different levels of spend exemption based on the government preferred metric option (see pages 46-47 of the accompanying Impact Assessment):

	£10,000 spend exemption (government preferred spend exemption)	£15,000 spend exemption	No spend exemption
Total capital spend till end of appraisal (2071) (£billion)	8.20	9.12	9.84
Capital spend to 2030 (£billion)	3.41	3.96	4.48
Homes treated	2.09million	2.11million	2.11million
Homes reaching EER C	1.94million	2.00million	2.03million
Average capex per home (£)	£4,500	£4,900	£5,000
Annual average bill savings per household (£/yr)	£165	£178	£265

**Question 7:** Do you agree with the government proposal to set a time-limited spend exemption?

- Yes
- No
- Don't know

#### Please explain your answer.

**Question 8:** Government has considered three options for setting maximum required investment under a spend exemption. Comparing these options, which do you think is most appropriate for the SRS?

- Set it at £10,000 (Govt preferred approach)
- Set it at £15,000
- No spend exemption
- Other please specify
- Don't know

#### Please explain your answer

**Question 9:** Do you agree with government's proposal for any time limited spend exemption to be valid for 10 years from 1 April 2030?

- Yes
- No
- Don't Know

#### Please explain your answer

**Question 10:** If you have answered no to Question 9, would you prefer an exemption that is valid for:

- Less than 10 years
- Over 10 years
- Don't know

Please explain your answer.

Question 11: If you are answering as a provider of social housing, based on the current condition of your stock and the anticipated costs of meeting MEES, what proportion of your housing stock would you estimate using the spend exemption for?

- Less than 10%
- 10-20%
- 20-30%
- 30-40%
- 40-50%
- 50% or above
- Don't know

Please explain your answer.

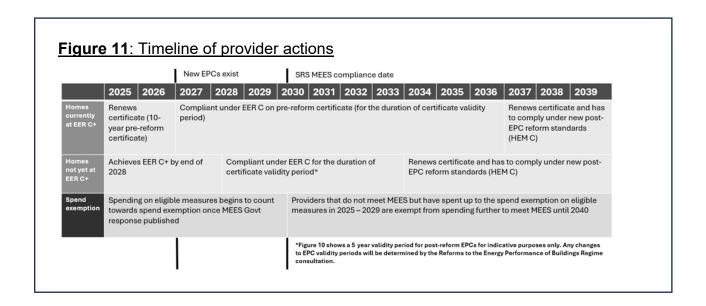
**Question 12:** Are you aware of any other circumstances where individual dwellings could not meet the standard, but which are not covered by either applying the DHS exemptions to MEES or the time limited spend exemption?

- Yes
- No
- Don't know

#### Please explain your answer

#### **Transition Periods**

- 103. The majority of social homes have already achieved EER C, and many providers are already working towards improving the remaining housing stock to achieve this level. We want to put in place a transition period for providers that recognises early action and provides reasonable flexibility as they work towards MEES based on the incoming EPC system. Please refer to page 19 of this consultation for information on the recent EPC consultation.
- 104. We propose that from the date of introduction of new EPC certificates (likely to be in 2026) <u>until 1 April 2028</u>, properties that have already met EER C will be MEES compliant for the remainder of their EPC validity period. This means that providers would have up to and inclusive of 31 March 2028 to bring a property up to EER C and for that property to be considered MEES compliant until the date that the EPC is no longer valid. The validity period of new EPCs is currently under consideration and government consulted on various options ranging from less than 2 years to 10 years.
- 105. EPCs issued prior to the introduction of post-reform certificates will remain MEES compliant until they expire (up to 10 years), meaning providers do not have to renew early if they are already at EER C under the current EPC system.
- 106. Homes that have not achieved EER C by 1 April 2028 will be expected to reach MEES under new EPC metrics by 1 April 2030.
- 107. This approach means that all social homes must achieve some form of EPC C by 1 April 2030, other than those for which there is a valid exemption. Figure 11 below shows the different action dates.
- 108. Government expects that in most cases, where providers have invested in improving a home towards EER C, the improvements carried out will largely be the same measures that would move homes towards the preferred option for MEES in this consultation. However, a small number of measures that improve the EER of a property might not improve the property towards our proposals based on reformed metrics. Government is proposing that only spend that improves the property towards the final MEES, outlined in the government response, will count towards the spend exemption. Providers should focus on measures that are expected to improve homes towards the MEES that is set out in the Government response rather than focusing on reaching EER C in its current form. Please see Annex D for illustrative examples of transition.



**Question 13:** Do you agree that properties that meet an EPC (EER) rating of C prior to the introduction of new EPCs should be recognised as compliant with the future standard until their current EPC expires or is replaced?

- Yes
- No
- Don't Know

#### Please explain your answer.

**Question 14:** Do you agree with government's proposal that, as an EPC reform transition measure, properties that have achieved EER C from the introduction of <u>new EPCs until 1 April 2028</u> should be considered compliant until the property's EPC expires, after which they would need to comply with MEES?

- Yes
- No
- Don't know

Please explain your answer.

**Question 15:** If government's proposed approach is implemented, which of the following courses of action do you think registered providers of social housing would take where homes currently meet EER C? (Subject to the new EPC system being introduced in 2026)

- Renew EPCs before the introduction of the new EPC system and comply ten years later.
- Renew EPCs when they expire and demonstrate compliance under EER
   C until required to meet MEES using new EPC metrics in the early 2030s.
- Renew EPCs when they expire and demonstrate compliance with MEES immediately.
- Other
- Don't know

#### Please explain your answer.

**Question 16:** If the government's proposed approach is implemented, which of the following courses of action do you think registered providers of social housing would take for homes that do not currently meet EER C?

- Improve homes to EER C by 1 April 2028 to demonstrate compliance under EER C for the rest of the EPC validity period, then carry out any additional work needed to meet MEES using new metrics.
- Improve homes to meet MEES using new EPC metrics by 1 April 2030.
- Other
- Don't know

#### Please explain your answer.

#### (Optional) Implementing MEES in Leasehold Properties:

The questions in this section are primarily aimed at registered providers of social housing and leaseholders in properties where social housing providers own the freehold (for example properties purchased through right to buy) and are therefore optional, but we welcome views from others who would like to provide their views to these questions if applicable.

- 109. A long leasehold is a form of property ownership normally used for flats and sometimes for houses. In legal terms, it is a long tenancy, providing the right to occupation and use for a long period the 'term' of the lease. This generally means a period of over 21 years, and the lease can be bought and sold during this term. The term is fixed at the beginning and decreases year by year, until the property returns to the freeholder or intermediate landlord (although the leaseholder may be entitled to an assured tenancy on expiry of the long lease). A person who buys a leasehold property on a lease is called a leaseholder.
- 110. Commonhold is an alternative to leasehold under which individual flats are owned on a freehold basis. Each unit owner is a member of the commonhold association, which owns and manages the common parts of the building or estate. For conciseness, we will generally just refer to leaseholders and freeholders for the rest of this section, but please note that these proposals will

- also apply to their commonhold equivalents: unit holders owners and commonhold associations.
- 111. Leasehold is especially common in blocks of flats and homes where a provider owns a freehold due to the prevalence of properties purchased under the Right to Buy scheme. We are currently reforming leasehold and freehold through the Leasehold and Freehold Reform Act 2024 (LFRA) to ban the creation of new leases on houses except in limited circumstances, but we do not anticipate this to impact on retrofit of existing leasehold properties.
- 112. As government plans to implement MEES in the SRS as part of the DHS, only homes owned and managed by registered providers of social housing ('providers') would be in scope of SRS MEES requirements.
- 113. In some cases, providers may be leaseholders in a building where they do not own the freehold. although this is uncommon and represents only 6% of leasehold dwellings. In most cases however, owner-occupier leaseholders may be affected by SRS MEES where, to meet the new requirements, providers need to carry out work to buildings that contain both SRS and owner-occupier leasehold homes in a block. This may occur particularly where work is required to communal or shared areas. Owner-occupier leaseholders would not be required to upgrade the internal parts of their homes under SRS MEES unless they sublet their flats, in which case they must adhere to MEES standards set for the PRS.
- 114. For commonhold properties, the arrangements are governed by the Commonhold Community Statement, which sets out who is responsible for what and the financial arrangements. Similar to leasehold, the commonhold owner will typically be responsible for the maintenance and repair of the commonhold Association being responsible for the maintenance and repair of the communal commonhold. The Commonhold Association can charge the costs for this from the commonhold owners. The Commonhold Community Statement is often less rigid that a lease, and can also be amended without the rigidity of leasehold, if required.
- 115. Government encourages leaseholders to see the benefits of working with providers to fulfil energy efficiency requirements to their property and to the building as a whole. Not only are energy efficient homes warmer and have lower energy bills than inefficient homes but, as the country progresses towards its net zero commitments, there may also be a future financial return on the sale of homes that are already at a good energy efficiency standard.
- 116. However, leaseholder responsibilities, and their financial liability to contribute towards the overall cost of meeting the standard, will depend on the terms of individual leases which may make it more challenging to meet SRS MEES. Where leaseholders are liable to pay under the terms of their lease, providers may need to carry out a consultation under Section 20 of the Landlord and Tenant Act 1985, to ensure that they have sufficient input into how their money is spent. We would like to better understand the existing landscape and any experiences leaseholders and freeholders have of working to upgrade energy efficiency in conjunction with their freeholder and if there are any further

suggestions on how we can or should implement any new regulatory requirement in a manner which is proportionate, effective, and fair to leaseholders.

- 117. Where government funding is used to improve home energy efficiency, the provisions of the Social Landlords Mandatory Reduction of Service Charges (England) Directions 2014, known as Florrie's Law, will apply to support many leaseholders. The maximum level that can be charged is £10,000 in any 5-year period, with a cap of £15,000 for London.
- 118. Government is aware that different standards between leasehold and freehold properties may create challenges to implementing SRS MEES. Government is committed to improving the energy efficiency of all households and further detail of support available will be outlined in the Warm Homes Plan. We would encourage owner occupiers, providers and tenants to work together due to the considerable benefits of energy efficiency upgrades.
- 119. In some cases, providers may be leaseholders in a building where they do not own the freehold. although this is uncommon and represents only 6% of leasehold dwellings. In most cases, government expects that where providers are leaseholders, they will be able to carry out the necessary energy efficiency works to their properties without any modifications to their leases, as existing lease clauses should permit them to do these works. In some cases, providers that are leaseholder landlords might need to obtain permission from their freeholder before undertaking their works. Again, government expects that the existing lease clauses make adequate provision for this, and the leaseholder should take all reasonable steps to obtain such consent. However, if they could not obtain permission despite taking such steps, we do not think it appropriate that the leaseholder landlord should be penalised as a result.

Question 17: If you are a registered provider of social housing or industry body, do you foresee issues arising from installing energy efficiency measures in properties where the leasehold is owned by the registered provider but not the freehold?

- Yes
- No

If you have answered yes to this question, please explain your answer

Question 18: If you are a registered provider of social housing or industry body, do you foresee issues arising from installing energy efficiency measures in properties where the registered provider holds the freehold but there are also leaseholders in the building (for example, through right to buy)?

- Yes
- No
- Not applicable

If you have answered yes to this question, please explain your answer

Question 19: If you are a leaseholder (in a property where your freehold is owned by a social housing provider) do you support providers offering to conduct energy efficiency works in your property to meet MEES?

- Completely support
- Support to some extent
- Neither support or do not support
- Do not support
- Not applicable

#### Please explain your answer

Question 20a: If you are a leaseholder, have you already had energy efficiency works carried out in conjunction with a social housing provider where they are the freeholder?

- Yes
- No

**Question 20b: -** If you have answered yes to the above question, what was your experience of installation?

#### Please explain your answer

**Question 21:** Do you have any further comments on how providers can best work with leaseholders when improving energy efficiency of mixed tenure blocks?

#### Please explain your answer

#### **Next Steps:**

120. Following the conclusion of this consultation, government will consider the responses and publish a government response. Government also plans to publish implementation guidance for providers on SRS MEES following the publication of government responses to the EPC reform and HEM consultations, to support provide practical implementation support for how providers meet MEES.

**Question 22:** Do you have any additional questions or concerns not answered in this consultation that we should consider when drafting the guidance and government response?

#### Please explain your answer

## Chapter 3 (optional): Call for Evidence on Longer-Term Decarbonisation and Net Zero

The questions in this chapter seek views from registered providers of social housing and are therefore optional, but we also welcome views from others who would like to provide their view longer term decarbonisation and net zero in the social rented sector.

- 121. This chapter seeks the views of social housing providers and those involved in the delivery of decarbonising social homes. However, we will also consider all responses to this chapter if other interested parties choose to respond.
- 122. Government is keen to understand how providers plan to approach fully decarbonising social homes. Answers to this section will inform government thinking on full-scale decarbonisation in the SRS beyond the implementation of SRS MEES in 2030. This will not be the only opportunity for respondents to give their views about decarbonising existing social housing stock, and government may consult in the future on a longer-term decarbonisation strategy.

#### The Decarbonisation Landscape

- 123. To fund energy efficiency upgrades and low-carbon heating for social housing residents, lower income households, and renters, £1.29 billion has been committed to the Warm Homes: Social Housing Fund and £500 million for the Warm Homes: Local Grant respectively. This will be delivered from 2025 until 2028 by eligible social housing landlords and local authorities.
- 124. Overall, government is overseeing total investment of £3.2 billion across 2025/26 alone in warmer homes, with the government's contribution almost double what it spent in 2023/24. This includes £1.4 £1.6 billion under energy-supplier led Energy Company Obligation (ECO4) and Great British Insulation Scheme (GBIS), as well as an estimated £600 £700 million from social housing provider match-funding. This follows a landmark announcement from the National Wealth Fund, whose financial guarantees are enabling £1.65 billion of lending from banking organisations including Barclays UK Corporate Bank and Lloyds Banking Group, and £150 million for The Housing Finance Corporation to help housing associations provide warmer, more energy efficient homes to tenants across the country.
- 125. The Future Homes and Buildings Standards, due to be published later this year, will set our new homes and buildings on a path that moves away from relying on volatile fossil fuel markets and ensures they are fit for a net zero future. The future is likely to see a mix of low carbon technologies used for heating, including heat pumps and heat networks. Alongside this, the Clean Heat Market Mechanism (CHMM), introduced on 1 April 2025, provides the UK's heating industry with a stable policy context for investing in the transition to clean heat. By incentivising manufacturers to invest, the CHMM ensures thousands more households can benefit from clean energy, protecting family finances from the rollercoaster of international gas markets.

- 126. Government's Warm Homes Plan will help people find ways to save money on their energy bills and transform our aging building stock into comfortable, low carbon homes that are fit for the future. We are investing £13.2 billion in the Warm Homes Plan over the Spending Review period, in line with the Manifesto commitment. This is a major step forward in the government's plans to upgrade millions of homes across the country by accelerating the installation of efficient new technologies like heat pumps, solar, batteries and insulation. Further details on allocations for individual programmes will be set out by October, but will include:
  - Funding for the Boiler Upgrade Scheme, increasing each year to 2029/30. This scheme currently provides £7.5k grants for consumers to partially cover the cost of installing a heat pump in their home. This builds on recent announcements about the easing of planning restrictions for heat pumps and proposed expansion of the Boiler Upgrade Scheme to more technologies.
  - Additional funding for social housing landlords through the Warm Homes: Social Housing Fund. This provides grant funding for social housing landlords to improve the energy performance of their properties through the installation of energy efficiency measures and low carbon technologies.
  - Funding for the **Warm Homes: Local Grant** to continue to work with local authorities to deliver upgrades to lower income households until 2027/28. Beyond 2028, the Warm Homes: Local Grant will not continue in its current form. Further details will be set out in the Warm Homes Plan.
  - Funding to deliver heat network schemes. Heat networks can use any source of heat such as heat pumps, geothermal energy, or waste heat from industry. This flexibility means they are well placed to cut bills, boost energy independence and tackle the climate crisis. In high-density urban areas, they are often the lowest cost, low carbon heating option.

#### **Approaches to Retrofit**

- 127. The journey to net zero will require a combination of technologies to improve energy efficiency, ending the use of fossil fuel heating systems, and integrating the use of smart technologies that give more control to tenants. The preferred option for SRS MEES, a primary fabric metric and secondary smart or heat metric, is expected to improve the fabric of social homes before smart technologies or low carbon heating systems are installed. In many cases, improving the fabric of a building will mean that low carbon heating systems such as heat pumps and heat networks are able to run more efficiently and with lower running costs for tenants. In addition, other technologies such as solar panels and batteries will provide micro generation of renewable energy and offer potential for ongoing savings.
- 128. Government expects that most new low-carbon heating systems installed in social homes on the journey to net zero will be heat pumps, because they are a highly efficient form of heating, with a significant minority being connected to low-carbon heat networks. Government recommends that providers ensure properties have a sufficient level of fabric efficiency to realise the high performance of low-carbon heating and avoid increasing bills for tenants. There are several additional

low-carbon heating options with the potential to play an important role in decarbonising heat, including hydrogen and biogas. Providers should focus on installing works that are recommend by EPC assessments.

**Question 23:** When do you plan on installing low carbon heating in your homes?

- Install in all homes in the 2020s
- Install in some homes in the 2020s, install elsewhere in the 2030s and beyond
- Install in most homes in the 2020s, install elsewhere in the 2030s and beyond
- Install only in 2030s and beyond
- Other
- Don't know

**Question 24:** At what point will you be looking to replace failing/end-of-life heating systems with low carbon heating?

- 2020s
- 2030s and beyond

**Question 25:** If you have no plans to install low carbon heating in the 2020s, which options best describe why?

- Prioritising fabric improvements first
- Prioritising other non-fabric measures (such as solar PV)
- It is too expensive
- It would raise bills for tenants
- Don't know enough about it
- Waiting until current heating systems need replacing
- Other
- Don't know

**Question 26:** In your plans for low carbon heating installation, which homes will you target first for low carbon heating? Select all that apply

- Those with failing/end-of-life heating systems
- On the gas grid
- Off the gas grid
- Higher starting EPC band
- Lower starting EPC band
- Specific housing archetypes (e.g. high rise or terrace)
- All properties at once
- Other
- Don't know

**Question 27:** Do you plan to install communal low carbon heating or individual low carbon heating?

- Communal (e.g. low carbon heat network)
- Individual (e.g. one air source/ground source heat pump per home)
- A combination of the above
- We have no plans to install low carbon heating

#### Don't know

**Question 28:** What proportion of your organisation's homes do you anticipate receiving solar PV installations up to 2035?

- Installed in all homes
- Installed in most, but not all homes
- Installed in some, but not most homes
- Installed in a limited number of homes
- Installed in no homes
- Other
- Don't know

#### **Preparedness for Net Zero 2050**

- 129. To meet our net zero target, government needs to have mostly eliminated emissions from our housing stock in advance of 2050 and needs to have made significant progress towards that goal over the coming decade to meet our carbon budgets. Government recognises that achieving net zero will require significant investment, with various options on how different parties should contribute.
- 130. Government is interested to hear how far providers have planned for decarbonisation of their stock beyond EPC C, and whether they have considered how these works might be financed beyond government grant funding.

Question 29: Which of the following do you intend to use to fund net zero by 2050?

- Self-funded through existing budgets
- Private finance specifically for decarbonisation purposes (e.g. ESG loans or bonds)
- Private finance at a corporate level
- Innovative financing models (e.g. retrofit credits, comfort charges, Heat/Energy as a Service models, Smart Export Guarantee tariffs)
- Other
- Don't know

**Question 30:** To what extent have the longer-term costs of reaching net zero in social housing by 2050 been factored into your long-term business planning?

- Not at all; we have not considered the costs of any retrofit works beyond meeting EPC C
- A little; we have done a limited amount of work to consider the costs of decarbonisation beyond EPC C
- **Somewhat**; we have started to consider the costs of net zero by 2050 and how to achieve this
- **Substantially**; we have fully considered the costs of net zero by 2050 and are working on how to achieve this
- **Completely**; we have fully considered the costs of net zero by 2050 and factored this into our long-term business plan
- Don't know

#### Heat networks and heat network zoning

- 131. Heat networks supply heat from centralised sources via a network of pipes carrying hot water. Heat networks can use any source of heat such as heat pumps, geothermal energy, or waste heat from industry. This flexibility means they are well placed to cut bills, boost energy independence and tackle the climate crisis.
- 132. In high-density urban areas, they are often the lowest cost, low carbon heating option. Some of those currently powered by gas are being converted to other heat sources and others will be converted in the future.
- 133. Our analysis shows that heat networks could provide about 20% of total heat by 2050. They currently provide around 3%. Research by the Heat Networks Industry Council suggests that delivering on this ambition will require significant investment of £60 billion £80 billion and continued public and private sector collaboration. We see the SRS as well placed to drive this change.
- 134. To ensure that heat network consumers are protected through this transition, government has appointed Ofgem as the consumer protection regulator for heat networks and they will start in this role from January 2026, alongside the Energy Ombudsman and Citizens Advice (and Consumer Scotland in Scotland). They will have powers to investigate unfair pricing, introduce consumer protection standards and ensure that consumers' heat supply is maintained if their supplier goes out of business.
- 135. To grow the market, our ambition is to launch heat network zoning in England by the end of 2025 to boost the growth of low-carbon heat networks. Heat network zoning will designate areas where heat networks are expected to provide the lowest cost, low carbon heating. It will give local communities the tools to accelerate the development of heat networks and ensure that more homes and businesses can have access to greener, cheaper heat.
- 136. It will significantly increase private sector investment in the sector by removing the barriers which currently limit the pace of developing large scale heat networks. Through heat network zoning, certain types of buildings and heat sources can be required to connect to a network within a prescribed timeframe. We consulted on this being all new buildings within zones, larger non-domestic buildings (heat demand over 100MWh) and buildings that already have communal heating systems (multiple premises within one building sharing a heat network within the building). This will allow for large-scale strategic heat networks to be built in towns and cities across the country.
- 137. Heat networks developing within zones will be low-carbon and we envisage that social housing connecting to low-carbon heat networks are likely to see an improvement in their SRS MEES heat metric score.

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<sup>&</sup>lt;sup>18</sup> Heat Networks Industry Council: <a href="https://www.heatnic.uk/about-heat-networks-industry-council/">https://www.heatnic.uk/about-heat-networks-industry-council/</a>

**Question 31:** Were you aware of heat network zoning proposals before reading this document?

- Yes, we were aware of network zoning proposals and planning to connect some buildings to a heat network
- Yes, we were aware of network zoning proposals but not planning to connect any buildings to a heat network
- No, we were not aware of network zoning proposals but planning to connect some buildings to a heat network
- No, we were not aware of network zoning proposals and not planning to connect any buildings to a heat network

#### **Smart metering**

- 138. Smart meters are replacing analogue gas and electricity meters as part of the national infrastructure upgrade needed to achieve government's mission to build a flexible and decarbonised power system by 2030. A more flexible energy system will enable the country to scale up the use of renewables and reduce our reliance on imported fossil fuels, giving us greater control over our energy security. Smart meters play a vital role in the operation of that system, while helping households to manage their energy use, improve the energy efficiency of homes, and reduce consumer bills.
- 139. Smart meters work by recording consumers' energy use in every half-hour period. Meter readings are sent automatically to energy suppliers, allowing them to accurately bill consumers based on their actual, not estimated, usage. Consumers can access their energy consumption data, for example by using their In-Home Display or a mobile app, to help monitor and manage their energy usage. Consumers can enjoy a range of other benefits, like accessing more dynamic tariffs or more easily receiving additional support such as that offered through the Energy Bill Support Scheme.
- 140. The smart meter rollout continues to progress, with approximately 67% of all meters in homes and small businesses across Great Britain being smart or advanced meters, as of end March 2025. However, the proportion of social renters with smart meters, as well as those privately renting, is below those who own their home. Data from the 2023-24 English Housing Survey found 59% of owner-occupied households in England reported having an electricity smart meter but only 53% of all social renters.
- 141. Government believes all energy consumers should be able to access the benefits of a smart meter. Given the lower uptake of smart meters in the social rented sector, government is keen to explore ways to address common barriers amongst social renters and to increase the number of smart meters installed in this sector. MEES could support efforts to progress the wider rollout in social homes as smart meters are likely to be included in the smart readiness metric. However, government is keen to gather further views on the most effective ways of engaging households, social landlords and housing associations in the SRS who are yet to have smart meters installed.

**Question 32:** What actions should government consider implementing to increase the number of smart meters installed in the social rented sector? **(Select all that apply)** 

- Create obligations for social landlords to ensure their properties (including where there are communal energy sites) contain smart meters, regardless of whether the landlord or the tenant pays the energy bill.
- Create obligations for social landlords to ensure their properties (including where there are communal energy sites) contain smart meters, only in cases where the landlords is the energy bill payer.
- Create obligations for social landlords to arrange for smart meters to be installed in their properties (including where there are communal energy sites) during void periods and/or during retrofit projects.
- Create positive incentives for social landlords to arrange for smart meters to be installed in their properties, e.g. through SRS MEES.
- Create obligations for social landlords to actively promote smart metering to their tenants, e.g. through sharing literature.
- Support national and/or local campaign activity to engage social landlords and tenants and raise awareness of smart metering.
- Other (please specify)
- Don't know/not sure

Please explain your answer

**Question 33: [Optional]** Do you have any further comments or concerns regarding Minimum Energy Efficiency standards in the social rented sector or on longer term decarbonisation and net zero which have not been mentioned?

Please explain your answer

#### About this consultation

This consultation document and consultation process have been planned to adhere to the Consultation Principles issued by the Cabinet Office.

Representative groups are asked to give a summary of the people and organisations they represent, and where relevant who else they have consulted in reaching their conclusions when they respond.

Information provided in response to this consultation may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Environmental Information Regulations 2004 and UK data protection legislation. In certain circumstances this may therefore include personal data when required by law.

If you want the information that you provide to be treated as confidential, please be aware that, as a public authority, the department is bound by the information access regimes and may therefore be obliged to disclose all or some of the information you provide. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the department.

The Ministry of Housing, Communities and Local Government will at all times process your personal data in accordance with UK data protection legislation and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties. A full privacy notice is included below. Individual responses will not be acknowledged unless specifically requested. Your opinions are valuable to us. Thank you for taking the time to read this document and respond.

Are you satisfied that this consultation has followed the Consultation Principles? If not or you have any other observations about how we can improve the process please contact us via the <u>complaints procedure</u>.

#### Personal data

The following is to explain your rights and give you the information you are entitled to under UK data protection legislation.

Note that this section only refers to personal data (your name, contact details and any other information that relates to you or another identified or identifiable individual personally) not the content otherwise of your response to the consultation.

### 1. The identity of the data controller and contact details of our Data Protection Officer

The Ministry of Housing, Communities and Local Government (MHCLG) is the data controller. The Data Protection Officer can be contacted at dataprotection@communities.gov.uk or by writing to the following address:

Data Protection Officer
Ministry of Housing, Communities and Local Government
Fry Building
2 Marsham Street
London
SW1P 4DF

#### 2. Why we are collecting your personal data

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

We will collect your IP address if you complete a consultation online. We may use this to ensure that each person only completes a survey once. We will not use this data for any other purpose.

#### Sensitive types of personal data

Please do not share special category personal data or criminal offence data if we have not asked for this unless absolutely necessary for the purposes of your consultation response. By 'special category personal data', we mean information about a living individual's:

- race
- ethnic origin
- political opinions
- religious or philosophical beliefs
- trade union membership
- genetics
- biometrics
- health (including disability-related information)
- sex life: or
- sexual orientation.

By 'criminal offence data', we mean information relating to a living individual's criminal convictions or offences or related security measures.

#### 3. Our legal basis for processing your personal data

The collection of your personal data is lawful under article 6(1)(e) of the UK General Data Protection Regulation as it is necessary for the performance by MHCLG of a task in the public interest/in the exercise of official authority vested in the data controller. Section 8(d) of the Data Protection Act 2018 states that this will include processing of personal data that is necessary for the exercise of a function of the Crown, a Minister of the Crown or a government department i.e. in this case a consultation.

Where necessary for the purposes of this consultation, our lawful basis for the processing of any special category personal data or 'criminal offence' data (terms explained under 'Sensitive Types of Data') which you submit in response to this consultation is as follows. The relevant lawful basis for the processing of special category personal data is Article 9(2)(g) UK GDPR ('substantial public interest'), and Schedule 1 paragraph 6 of the Data Protection Act 2018 ('statutory for example and government purposes'). The relevant lawful basis in relation to personal data relating to criminal convictions and offences data is likewise provided by Schedule 1 paragraph 6 of the Data Protection Act 2018.

#### 4. With whom we will be sharing your personal data

MHCLG may appoint a 'data processor', acting on behalf of the Ministry and under our instruction, to help analyse the responses to this consultation. Where we do, we will ensure that the processing of your personal data remains in strict accordance with the requirements of the data protection legislation.

## 5. For how long we will keep your personal data, or criteria used to determine the retention period.

Your personal data will be held for two years from the closure of the consultation, unless we identify that its continued retention is unnecessary before that point

#### 6. Your rights, e.g. access, rectification, restriction, objection

The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right:

- a. to see what data we have about you
- b. to ask us to stop using your data, but keep it on record
- c. to ask to have your data corrected if it is incorrect or incomplete
- d. to object to our use of your personal data in certain circumstances
- e. to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at https://ico.org.uk/, or telephone 0303 123 1113.

Please contact us at the following address if you wish to exercise the rights listed above, except the right to lodge a complaint with the ICO:

dataprotection@communities.gov.uk or by writing to the following address:

Knowledge and Information Access Team

Ministry of Housing, Communities and Local Government

Fry Building

2 Marsham Street

London

SW1P 4DF

- 7. Your personal data will not be sent overseas.
- 8. Your personal data will not be used for any automated decision making.
- **9.** Your personal data will be stored in a secure government IT system. We use a third-party system, Citizen Space, to collect consultation responses. In the first instance your personal data will be stored on their secure UK-based server. Your personal data will be transferred to our secure government IT system as soon as possible, and it will be stored there for two years [or specify period] before it is deleted.

#### Confidentiality and data protection

Information you provide in response to this consultation, including personal information, may be disclosed in accordance with UK legislation (the Freedom of Information Act 2000, the Data Protection Act 2018 and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential, please tell us, but be aware that we cannot guarantee confidentiality in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not be regarded by us as a confidentiality request.

We will process your personal data in accordance with all applicable UK protection laws. See our <u>privacy policy</u>.

We will summarise all responses and publish this summary on <u>GOV.UK</u>. The summary will include a list of names or organisations that responded, but not people's personal names, addresses or other contact details.

#### Quality assurance

This consultation has been carried out in accordance with the government's <u>consultation principles</u>. If you have any complaints about the way this consultation has been conducted, please email: <u>srs.mees@communities.gov.uk</u>

#### Annexes

#### Annex A: Glossary of Terms

#### **Decent Homes Standard (DHS)**

The DHS is the minimum standard that all social landlords must meet regarding the physical condition of social housing. Published initially in 2001, it is regulated through the Regulator of Social Housing's (RSH – see below) consumer standards. It consists of four criteria: (a) it meets the current statutory minimum standard for housing, (b) it is in a reasonable state of repair, (c) it has reasonably modern facilities and services, and (d) it provides a reasonable degree of thermal comfort.

#### **Energy Efficiency Rating (EER)**

The energy efficiency rating is the headline metric on current EPCs (see below). It models the energy costs per square metre of a building, based on a calculation of the costs of heating and lighting and providing hot water to the building and the building services. It derives from a calculation which uses information from an assessment of the energy used in the property based on information or assumptions about the building and a set of standardised assumptions about, for example, occupancy patterns, the impact of the weather, and fuel costs. The calculation generates a score on a scale of 0-100 (the higher the score, the more efficient the property in terms of its energy use and lower fuel costs). The scores are banded into bands A-G with A being the best.

#### **Energy Performance Certificate (EPC)**

EPCs are required for all buildings (domestic and non-domestic), when constructed, sold or rented. There are some exemptions, e.g., buildings used as places of worship and some listed buildings. EPCs are valid for 10 years. The EPC records how energy efficient a property is as a building, using an A to G rating scale in the case of a building that is a dwelling where A is the most efficient and G is the least efficient.

An EPC for a dwelling will show both the current emissions and potential emissions of a property. It also provides recommendations on cost effective measures which can be taken to improve the SAP score and sets out the potential rating of the building if recommendations are implemented.

#### **Fuel Poverty Energy Efficiency Rating (FPEER)**

The Fuel Poverty Energy Efficiency Rating is a metric based primarily on the government's Standard Assessment Procedure (SAP) for assessing the energy performance of domestic properties. Building on SAP, the FPEER methodology also accounts for the impact of policy interventions that directly affect household energy costs (such as the Warm Home Discount).

The methodology for FPEER generates an energy efficiency rating from 0 (lowest) to 100 (highest). This rating is then translated into an energy efficiency 'Band' from G (lowest) to A (highest). A household is considered to be fuel poor if it has a FPEER rating of D or below and is classified as low income. Further details regarding FPEER can be found in the Fuel Poverty Energy Efficiency Rating Methodology handbook.<sup>19</sup>

<sup>&</sup>lt;sup>19</sup> Fuel Poverty Energy Efficiency Rating Methodology handbook: assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment data/file/1138926/fuel-poverty-methodology-handbook-lilee-2023.pdf

#### Home Energy Model (HEM)

HEM will replace the Standard Assessment Procedure (SAP – see below) as the methodology for calculating new EPCs within the new EPC framework.

#### Low Income Low Energy Efficiency (LILEE)

The Low Income Low Energy Efficiency (LILEE) indicator is the metric used the measure for fuel poverty in England. A household is considered to be fuel poor if it meets two key criteria:

- i) Low energy efficiency. This includes all households with a Fuel Poverty Energy Efficiency Rating (FPEER) of band D or below
- ii) Low income. This includes all households whose residual household income would be below the official poverty line if they were to spend their modelled energy costs

The LILEE definition is a relative indicator with regards to income but an absolute measure regarding energy efficiency.

#### **Private Rented Sector (PRS)**

The PRS is made up of those renting their home from a property that is let by a private landlord. PRS properties are rented out at market rent.

#### Reduced Data Standard Assessment Procedure (RdSAP)

RdSAP is the government approved methodology for producing an EPC for existing dwellings. For existing dwellings much of the information required to assess the energy performance is not readily available. In recognition of this, and to minimise inconvenience for the homeowner during the assessment process, default assumptions about the dwelling based on standard conventions and requirements at the time the dwelling was constructed are used. This means that less information is required for the assessment than for a newly constructed dwelling.

#### Registered Providers of social housing (Providers)

Registered providers of social housing are social landlords who are registered with the Regulator of Social Housing. Providers include local authority landlords and private registered providers (such as not-for-profit housing associations, cooperatives, and for-profit organisations).

#### Regulator of Social Housing (RSH)

RSH is a non-departmental public body that regulates registered providers of social housing in England across both consumer and economic standards.

#### Social Rented Sector (SRS)

The social rented sector includes rental properties that are let out by registered providers and non-registered providers. Non-registered providers are providers who are not registered with the RSH and could include unregistered housing associations, private sector developers and community led groups that are not a housing association, local authority or ALMO. SRS MEES would apply to registered providers only, therefore references to the SRS in this consultation refer exclusively to properties owned by RPs who are in scope of SRS MEES.

Rent in the SRS may be regulated based on the government's rent policy for social housing, such as rules relating to Social Rent of Affordable Rent accommodation. Registered providers must comply with the Rent Standard set by the Regulator for Social Housing. The Rent Standard is set in accordance with a direction from the Secretary of State. The Rent Standard includes provisions such as a limit on annual rent increases.

#### **Standard Assessment Procedure (SAP)**

SAP is the government approved methodology for producing an EPC for a newly constructed dwelling. SAP is used also during the construction process to

demonstrate that a new dwelling meets building regulations' energy performance requirements. Design stage and as built SAP calculations are undertaken, with the latter also generating the construction EPC.

#### **Annex B: Relevant Funding Schemes**

#### **Warm Homes: Social Housing Fund**

The Warm Homes: Social Housing Fund (formerly the Social Housing Decarbonisation Fund) provides grant funding for social housing landlords to improve the energy performance of their properties through the installation of energy efficiency measures and low carbon technologies.

The main objectives of WH:SHF are to tackle fuel poverty, reduce carbon emissions, and deliver warm, energy-efficient homes. WH:SHF will also develop the green economy, support green jobs, and increase supply chain capability and capacity. The Warm Homes: Social Housing Fund Wave 3 will deliver up to £1.29 billion of funding to 143 projects across England. This includes funding offered for 17 Strategic Partnership projects and 126 Challenge Fund projects.

The SHDF Demonstrator project, was launched in 2020, and awarded around £62 million of grant funding in 2021 to social landlords across England and Scotland to test innovative approaches to retrofitting at scale, seeing around 1000 social homes improved to at least EPC band C and supporting around 1,200 local jobs.

Wave 1 of the SHDF awarded £178 million of grant funding for delivery from 2022. Wave 1 formally closed on 31 December 2023, with grant recipients finalising projects through January – March 2024. Official statistics published in November 2024 showed that to the end of July 2024, there were around 31,700 measures installed in around 16,100 households under SHDF Wave 1.

Wave 2.1 of the SHDF is delivering improvements to around 90,000 social homes between April 2023 and September 2025. £778 million of government funding was allocated for Wave 2.1 to see proposed energy performance improvements to around 90,000 social homes.

SHDF Wave 2.2 allocated £75.5 million of grant funding and is supporting 42 local authorities and housing associations, helping some of the lowest income households by delivering warmer and more energy efficient homes. This funding is expected to upgrade up to 8,800 homes, save tenants an average of £400 on their energy bills, lift 4,900 households out of fuel poverty, and support 1,300 jobs. This wave of funding has been targeted at organisations that did not receive funding under SHDF Wave 2.1.

Additional funding for social housing landlords through the WH:SHF will be set out in the Warm Homes Plan in October.

#### The Energy Company Obligation (ECO)

The Energy Company Obligation (ECO) is an obligation on larger energy suppliers to provide energy efficiency and heating measures to low-income and vulnerable households living in the least energy efficient homes across Great Britain. The current iteration of the scheme, ECO4, runs from 2022 - 2026 with an increased value of £4 billion to accelerate our efforts to improve homes to meet fuel poverty targets. This will cut on average £470 annually off energy bills for households that

have measures installed (based on the most recent energy prices associated with the April 2025 energy price cap set by Ofgem).

Households may be eligible under ECO4 if they receive means tested benefits, live in the least energy efficient social housing or are referred by a local authority or energy supplier participating under the flexible eligibility element of the scheme, known as ECO4 Flex. Social homes must be in EPC band E-G.

Between January 2013 and March 2025, DESNZ Household Energy Efficiency Statistics (May 2025) estimate that approximately 395,177 social rented households have received a measure through ECO.

#### The Great British Insulation Scheme

Further energy efficiency support is available through the Great British Insulation Scheme (GBIS). This scheme is helping to reduce energy bills and make our energy system more secure over the longer term by reducing energy demand. GBIS was established in law on 25 July 2023 and will run until March 2026, aligning with the current ECO4 scheme. It is worth £1 billion over three years, driving delivery of the most cost-effective mainly single insulation measures to the least energy efficient homes in the lower council tax bands and boosting support for the most vulnerable households.

The scheme targets a broader pool of households in the least efficient homes in the lower council tax bands (A-D in England and A-E in Scotland and Wales) with an EPC rating of D-G, as well as low-income households.

GBIS will help households to cut heating bills by an average of around £250 per year based on the most recent energy prices associated with the April 2025 energy price cap set by Ofgem.

Between April 2023 and March 2025, DESNZ Household Energy Efficiency Statistics (May 2025) estimate that approximately 6,948 social rented households have received a measure through GBIS.

#### Eligibility of social homes for ECO and GBIS

Social housing was not previously eligible for support prior to the ECO2 transition scheme (ECO2t) owing to the relatively high energy efficiency of those properties and the relatively high proportion of funding those homes received under ECO's predecessors.

However, we considered that people living in social housing were generally more likely to be living on lower incomes than those in private tenure, and where social tenants live in energy inefficient properties, they would still have a high likelihood of being fuel poor.

Therefore, from ECO2t we permitted delivery to social housing bands E, F and G to be eligible for support across Great Britain, giving social landlords the ability to achieve economies of scale and leverage in other funding sources to facilitate cost-effective delivery to these homes.

Under ECO3, we extended eligibility for social housing properties with an EPC Band D for measures that are delivered under the innovation part of the scheme. When we introduced GBIS, we permitted eligibility to social housing properties with an EPC Band rating of E, F and G. For ECO4, we set out that tenants in social housing would continue to be eligible for First Time Central Heating if the property was in EPC Bands E, F and G.

Warm Homes: Local Grant

The Warm Homes: Local Grant (WH:LG) is a £500 million fuel poverty scheme led by Local Authorities, with delivery running from April 2025 to March 2028. 74 projects involving 271 Local Authorities across England (over 97% of eligible Local Authorities) have been awarded funding.

WH:LG will provide grants for energy performance measures and low carbon heating to private, low-income households living in EPC D-G homes in England to tackle fuel poverty and deliver progress towards Net Zero 2050 and the Carbon Budgets. Examples of energy saving measures funded under the scheme include insulation measures, heat pumps, solar PV, smart controls, and other energy performance improvement measures such as draft proofing, windows, and doors (amongst others).

Social housing is ineligible for WH:LG funding, except for 'infill' purposes only, which is capped at 10% of homes upgraded for a given project. Social housing landlords must also contribute at least 50% of the total cost of upgrades.

If local authorities wish to deliver a mixed tenure project in their area with a significant social housing component, they could complement owner occupier and private rented funded upgrades under the Warm Homes: Local Grant with social housing funded under the Warm Homes: Social Housing Fund, providing they are allocated funding under both schemes.

#### **Social and Affordable Homes Programme**

The government is committed to delivering 1.5 million homes. This will improve security for millions of people and unlock essential economic growth. We are also committed to the biggest increase in social and affordable housebuilding in a generation.

The £39 billion new Social and Affordable Homes Programme was announced at the Spending Review, with the government setting the ambition for 300,000 new social and affordable homes. Through this, we are setting an ambitious target that at least 60% of homes will be for social rent which is linked to local incomes – achieving this would mean delivering around 180,000 homes for social rent. That is six times more than the decade up to 2024.

This in addition to action already taken on the current **Affordable Homes Programme**. In October 2024, this government announced £500 million in new invear funding. As a result of significant demand from housing providers across the country, that additional funding is already oversubscribed. In February 2025, this government announced allocating a further £300million to the support the near-term delivery of more social and affordable housing, delivering up to 2,800 new homes with more than half being Social Rent homes.

#### **National Wealth Fund**

The National Wealth Fund (NWF) announced in October that it will provide financial guarantees that will see Barclays UK Corporate Bank and Lloyds Banking Group deliver £1 billion of funding to accelerate the retrofit of social housing in the UK. In April, the NWF announced a financial guarantee of up to £400 million to cover a series of new loans provided by NatWest Group to registered providers for the retrofit of social housing stock in the UK. In June, the NWF guaranteed an initial £150 million for The Housing Finance Corporation. This brings NWF's total support

for social housing retrofit to £1.3 billion. By enabling £1.65 billion of lending through these guarantees, the NWF is ensuring that attractively priced financing is available to every aspect of the social housing market and caters to all needs. Funding will support housing associations to provide warmer, more energy efficient homes to their tenants, reducing their carbon footprint in the process.

The NWF will help create a stable investment environment by mobilising private capital around the government's strategic priorities, enabling the market to invest with confidence in clean energy and growth industries. These deals showcase how innovative public and private expertise can come together to deploy private capital to deliver warmer, greener homes for social tenants.

Not only will the flexible and competitively priced loans support housing associations to meet their net zero ambitions, they will also improve the quality of life for their tenants. Improvements such as low carbon heating and insulation create warmer homes, lower bills and better life outcomes.

While housing association homes are on average the most energy efficient of any tenure, around 39% of social rented homes have an EPC rating below C. Social housing represents almost 15% off all homes in fuel poverty in the country and 10% of total housing emissions for the UK. It is estimated that close to £36billion of investment will be needed to fully decarbonise housing association properties, according to the National Housing Federation.

# Annex C: Illustrative examples for setting the standard against new metrics option proposals

Please note all examples provided are for demonstrative purposes only and are not intended to replicate provider decision making. The measures that improve a property to meet MEES will be subject to the outcomes of ongoing HEM and EPC reforms which will determine the methodology for calculating new EPCs. The exact measures that will help a home reach C against the different metrics will vary across properties.

#### Preferred Option (Option 1): Fabric and smart or heat examples

- Provider A owns a property that does not meet 'C' against the fabric, smart readiness or heating system metrics. Provider A has wall and loft insulation\* installed in the property to meet fabric 'C'. Provider A then upgrades the heating system (e.g. installed a heat pump) in the property to meet 'C' against the heating system metric. The property is now compliant with MEES.
- Provider B owns a property that meets 'C' against the fabric metric, but not the smart readiness or heating system metrics. Provider B installs solar panels in the property to meet 'C' against the smart readiness metric. The property is now compliant with MEES.
- Provider C owns a property with that meets 'C' against the smart readiness metric (due to previous solar installation), but not the fabric or heating system metrics. Provider C has wall and loft insulation installed in the property to meet fabric 'C'. The property is now compliant with MEES.

## Option 2: A requirement to meet the standards against a single fabric performance metric examples:

- Provider D owns a property that meets 'C' against the single fabric performance metric. The property is compliant with MEES.
- Provider E owns a property that does not meet 'C' against the single fabric performance metric. Provider E installs loft and wall insulation to meet 'C' against the single fabric metric. The property is compliant with MEES.

## Option 3: A requirement to meet a standard set against specified dual metrics examples

If government set the standard using smart and heat metrics:

 Provider F owns a property that meets 'C' against the smart readiness metric, but not the heating system metric. Provider F has a heat pump installed so that the property meets 'C' against the heating system metric. The property is now compliant with MEES.

If government set the standard using fabric and smart metrics:

• Provider G owns a property that meets 'C' against the fabric performance metric but not the smart readiness metric. Provider G has a smart meter and solar PV installed so that the property meets 'C' against the smart readiness metric. The property is now compliant with MEES.

If government set the standard using fabric and heat metrics:

 Provider H owns a property that meets 'C' against the heating system metric, but not against the fabric performance metric. Provider H has double glazing

- installed so that the property meets 'C' against the fabric performance metric. The property is now compliant with MEES.
- Provider I owns a property that does not meet 'C' against the heating system or fabric performance. Provider I installs a heat pump and double glazing so that the property meets 'C' in both heat and fabric metrics and is now compliant with MEES.

## Options 4A and 4B: Allowing providers maximum flexibility in which standards they meet illustrative examples:

- 4A) Provider J owns a property that does not meet 'C' against the fabric performance, smart readiness or heating system metrics. The property is at 'E' against the fabric performance metric, 'E' against the smart readiness metric, and 'D' against the heating system metric. Provider J decides to install double glazing, a heat pump and solar PV. This results in the property meeting achieving 'D' against the fabric performance metric, 'B' against the heating system metric, and 'A' against the smart readiness metric, averaging out the property's rating to 'C' across all 3 metrics. The property is now compliant with MEES.
- 4B) Provider K owns a property that does not meet 'C' against the fabric performance, smart readiness or heating system metrics. The property is at 'D' against the fabric performance metric, 'D' against the smart readiness metric, and 'E' against the heating system metric. Provider K decides to focus meeting the standard against the smart and fabric metrics and therefore installs solar panels and solid wall insulation. These works raise the properties fabric performance up to EPC C and smart readiness up to EPC B. The property is now compliant with MEES.
- 4B) Provider L owns a property that meets 'C' against the fabric metric, but not the smart readiness or heating system metrics. Provider L installs solar panels in the property to meet 'C' against the smart readiness metric. The property is now compliant with MEES.
- 4A/4B) Provider M owns a property that does not meet C against the fabric performance, smart readiness or heating system metrics. Provider M installs solar panels, solid wall insulation and a heat pump in the property to meet 'C' against all three metrics. The property is now compliant with MEES.

# Annex D: Worked examples: Interaction with the time-limited spend exemption at £10,000 and Transition

#### Worked examples: Time-limited spend exemption (£10,000 example)

The illustrative example below sets out how a scenario based on a £10,000 spend exemption might work in practice. Please note all examples provided are for demonstrative purposes only and are not intended to replicate provider decision making. The measures that improve a property to meet MEES will be subject to the outcomes of ongoing HEM and EPC reforms which will determine the methodology for calculating new EPCs. See the annex for worked examples of the time-limited spend exemption (£10,000). The exact measures that will help a home reach C against the different metrics will vary across properties.

- a. Provider N's property is at EPC D. Provider NL spends £5,000 installing cavity wall insulation. However, the property still does not meet the standard after these works. Provider N decides to install solar panels costing a further £4,000. After this the property reaches MEES, EPC C and is compliant.
- b. Provider O's property is at EPC F. Provider OM installs a heat pump and double-glazing costing £10,000. However, after these works are complete, the property still does not meet the standard, EPC C. As provider O has spent up to the spend exemption amount of £10,000 in an attempt to meet the standard, Provider O is eligible for an exemption to meeting the standard for the set time period. Provider O completes additional works to bring the property to EPC C in 2039 before the spend exemption expires so that the property does not lapse into non-compliance when the spend exemption runs out.
- c. Provider P has assessed one of their estates that was built in the 1920s. It consists of small houses on the estate all of which do not meet MEES. The houses have solid walls. In order to meet MEES, which has been set with a primary fabric standard of band C and a secondary standard of the smart readiness or heating system metric at band C, various measures are considered, including updating the glazing, adding external wall insulation (EWI) to the solid walls, installing loft insulation, installing low carbon heating systems and installing solar panels. The cost of doing all of these measures comes to an average of £16,000 per property.

The provider installs solid wall insulation and solar panels to all properties on the estate at a total cost of around £12,500 per property. The provider elects not install loft insulation, low carbon heating systems or update glazing at this point. This brings the majority of properties to meet the primary fabric standard and secondary smart readiness standard, however a small number do not meet the primary fabric standard at band C.

At the MEES compliance date, although some properties remain below MEES, the provider is able to demonstrate that they have spent at least £10,000 on each of these individual properties. As such, further remedial works are not required, and the provider is considered to have taken sufficient action towards meeting MEES.

The spend exemption has a time limit of 10 years. As such, in the 10 years following the MEES compliance date, the provider goes back and adds loft

insulation and upgrades the glazing of these properties. This ensures that all properties on the estate meet the primary fabric standard and secondary smart readiness standard and thus meet the required MEES.

Please note that this this example is illustrative is not intended to show the correct way of meeting MEES for any particular type of property, and shows an example based on a £10,000 spend exemption.

The spend exemption is not a maximum limit for providers. Providers may spend more than the spend exemption if they wish to do so. The spend exemption runs from the compliance date (1 April 2030).

#### **Worked examples: Transition periods**

Please note examples are illustrative due to ongoing HEM and EPC reforms. Government has consulted on reducing the validity period of EPCs and is considering options that range from keeping the validity period at 10 years to reducing the validity period to less than 2 years. For the purpose of the illustrative examples, we have assumed that the validity period of EPCs is reduced to demonstrate how the transition approach would function if post-reform EPCs have a shorter validity. We have assumed that the validity period of EPCs is reduced to 5 years as this is close to being a mid-point for the options that have been consulted on for this possible change.

Scenarios 1 – 3 set out how the proposed transition approach and spend exemption for SRS MEES could function for Providers to be considered compliant for a period of time under EER C, before demonstrating compliance under the MEES standard. Scenarios 1 – 3 demonstrate how compliance under EER C would work for EPCs obtained prior to EPC metric changes being implemented.

- Scenario 1: Provider Q obtains an EPC for a property in 2025 before EPC reform. The EPC shows that the property has achieved EER C and is therefore considered compliant until 2035. In 2035, Provider Q obtains an EPC for the same property. The EPC uses updated EPC metrics and shows that the property meets MEES. Provider Q's property is considered compliant with SRS MEES.
- Scenario 2: Provider R obtains an EPC for a property in early 2028 (before 1 April 2028). The EPC shows updated metrics as well as EER and is valid for 5 years following EPC reform. The EPC shows that the property has achieved EER C but not MEES. However, as this is during the transition period, the property is considered compliant until the date that the EPC is no longer valid in 2033, based on its achievement of EER C. Provider R improves the property to meet MEES by the date that the EPC is no longer valid in 2033, and is therefore considered compliant.
- Scenario 3: Provider S obtains an EPC for a property in 2025. The EPC shows exclusively EER and EIR metrics and is valid for 10 years until 2035. The EPC shows that the property has achieved EER C and is therefore considered compliant until the date that the EPC is no longer valid in 2035. In 2035, provider S obtains a renewed EPC for the same property. The certificate uses updated EPC metrics and shows that the property does not meet MEES. RP S has not spent £10k on improving the property towards

MEES. The property is considered non-compliant with MEES until either provider S improves the property to meet MEES, or provider S spends £10k on improving the property towards MEES, whichever provider S is able to evidence first.

Scenarios 4-6 set out how the proposed transition approach and spend exemption for SRS MEES could function for providers to be considered compliant for a period of time under EER C, before demonstrating compliance under the MEES standard. Scenarios 4-6 demonstrate how compliance under EER C would work for EPCs obtained after EPC metric changes are implemented.

- Scenario 4: Provider T obtains an EPC certificate for a property in early 2028 (before 1 April 2028). The EPC shows updated metrics as well as EER and is valid for 5 years. The EPC shows that the property has achieved EER C but not MEES. The property is considered compliant until the date that the EPC is no longer valid in 2033, based on its achievement of EER C. Provider T improves the property and shows that the property meets MEES in 2033. The property is compliant with MEES.
- Scenario 5: Provider U obtains an EPC certificate for a property in early 2028 (before 1 April 2028). The EPC shows updated metrics as well as EER and is valid for 5 years. The EPC shows that the property has achieved EER C but not MEES. The property is considered compliant until the EPC is no longer valid in 2033 based on its achievement of EER C. Provider U spends £10k improving the property but does not meet MEES by EPC the time the EPC is no longer valid in 2033. Provider U is able to evidence that they have spent £10k on improving the property towards MEES, and is therefore considered exempt for this property until 2040.
- Scenario 6: Provider V obtains an EPC for a property in early 2028 (before 1 April 2028). The EPC shows updated metrics as well as EER and is valid for 5 years. The EPC shows that the property has achieved EER C but not MEES. The property is considered compliant until the date that the EPC is no longer valid in 2033, based on its achievement of EER C. Provider V spends £10k improving the property but does not meet MEES by the date that the EPC is no longer valid in 2033. Provider V has not spent £10k on improving the property towards MEES. The property is considered non-compliant with MEES until either RP V improves the property to meet MEES, or provider V spends £10k on improving the property towards MEES, whichever provider V is able to evidence first.

#### **Annex E: Catalogue of Consultation Questions**

**Question 1**: Do you agree that the government's preferred option (option 1- dual metric approach) to set a minimum energy efficiency standard for the SRS is the most suitable option?

- Yes
- No
- Don't know

Please explain your answer

**Question 2: If you do not agree,** which, if any, of the other metric options outlined would be your preferred approach to set a minimum energy efficiency standard for the SRS?

- Option 2: A fabric performance metric only, by 2030.
- Option 3: Specified dual metrics, by 2030, either:
  - Fabric Performance and Smart Readiness
  - Fabric Performance and Heating System
  - Smart Readiness and Heating System.
- Option 4A: An average of all three metrics (Fabric Performance, Smart Readiness and Heating System), by 2030.
- Option 4B: Two of the three metrics, at the landlord's discretion, (Fabric Performance, Smart Readiness, Heating System), by 2030.
- None of the above
- Not applicable
- Don't know

Please explain your answer

**Question 3:** Are there any other approaches to setting MEES that should be considered (such as an energy cost-based approach)?

- Yes
- No
- Don't Know

If you have selected yes, please explain your answer

Question 4: (for providers) If you are answering as a registered provider of social housing, after taking into account your future business plans and the provided assumptions for the requirements of the government's preferred option (Option 1), which secondary metric would you choose to meet the standard against within the preferred option?

- Smart Readiness
- Heating System
- Don't know
- Not applicable

Please explain your answer.

**Question 5:** Do you agree with the proposal for social homes to be MEES compliant by 1 April 2030?

- Yes
- No
- Don't know

**Question 6:** If you have answered no to Question 5, do you have a view on alternative options for setting the compliance date, for example either earlier or later than 2030?

**Question 7:** Do you agree with the government proposal to set a time-limited spend exemption?

- Yes
- No
- Don't know

Please explain your answer.

**Question 8:** Government has considered three options for the setting maximum required investment under a spend exemption. Comparing these options, which do you think is most appropriate for the SRS?

- Set it at £10,000 (Govt preferred approach)
- Set it at £15,000
- No spend exemption
- Other please specify
- Don't know

Please explain your answer

**Question 9:** Do you agree with government's proposal for any time limited spend exemption to be valid for 10 years from 1 April 2030?

- Yes
- No.
- Don't Know

Please explain your answer

**Question 10:** If you have answered no to Question 9, would you prefer an exemption that is valid for:

- Less than 10 years
- Over 10 years
- Don't know

Please explain your answer.

Question 11: If you are answering as a provider of social housing, based on the current condition of your stock and the anticipated costs of meeting MEES, what proportion of your housing stock would you estimate using the spend exemption for?

- Less than 10%
- 10-20%
- 20-30%
- 30-40%
- 40-50%
- 50% or above
- Don't know

Please explain your answer.

**Question 12:** Are you aware of any other circumstances where individual dwellings could not meet the standard, but which are not covered by either applying the DHS exemptions to MEES or the time limited spend exemption?

- Yes
- No
- Don't know

Please explain your answer

**Question 13:** Do you agree that properties that meet an EPC (EER) rating of C prior to the introduction of new EPCs should be recognised as compliant with the future standard until their current EPC expires or is replaced?

- Yes
- No
- Don't know

Please explain your answer.

**Question 14:** Do you agree with government's proposal that, as an EPC reform transition measure, properties that have achieved EER C from the introduction of <a href="new EPCs until 1 April 2028">new EPCs until 1 April 2028</a> should be considered compliant until the property's EPC expires, after which they would need to comply with MEES?

- Yes
- No
- Don't know

Please explain your answer.

**Question 15:** If government's proposed approach is implemented, which of the following courses of action do you think registered providers of social housing would take where homes currently meet EER C? (Subject to the new EPC system being introduced in 2026)

- Renew EPCs before the introduction of the new EPC system and comply ten years later.
- Renew EPCs when they expire and demonstrate compliance under EER C until required to meet MEES using new EPC metrics in the early 2030s.

- Renew EPCs when they expire and demonstrate compliance with MEES immediately.
- Other
- Don't know

Please explain your answer.

**Question 16:** If the government's proposed approach is implemented, which of the following courses of action do you think registered providers of social housing would take for homes that do not currently meet EER C?

- Improve homes to EER C by 1 April 2028 to demonstrate compliance under EER C for the rest of the EPC validity period, then carry out any additional work needed to meet MEES using new metrics.
- Improve homes to meet MEES using new EPC metrics by 1 April 2030.
- Other
- Don't know

Please explain your answer.

Question 17: If you are a registered provider of social housing or industry body, do you foresee issues arising from installing energy efficiency measures in properties where the leasehold is owned by the registered provider but not the freehold?

- Yes
- No
- Not applicable

If you have answered yes to this question, please explain your answer

Question 18: If you are a registered provider of social housing or industry body, do you foresee issues arising from installing energy efficiency measures in properties where the registered provider holds the freehold but there are also leaseholders in the building (for example, through right to buy)?

- Yes
- No
- Not applicable

If you have answered yes to this question, please explain your answer

Question 19: If you are a leaseholder (in a property where your freehold is owned by a social housing provider) do you support providers offering to conduct energy efficiency works in your property to meet MEES?

- Completely support
- Support to some extent
- Neither support or do not support
- Do not support
- Not applicable

Please explain your answer

Question 20a: If you are a leaseholder, have you already had energy efficiency works carried out in conjunction with a social housing provider where they are the freeholder?

- Yes
- No
- Not applicable

**Question 20b:** If yes, what was your experience of installation? [Free text]

**Question 21:** Do you have any further comments on how providers can best work with leaseholders when improving energy efficiency of mixed tenure blocks? [Free text]

**Question 22:** Do you have any additional questions or concerns not answered in this consultation that we should consider when drafting the guidance and government response?

#### Please explain your answer

Question 23: When do you plan on installing low carbon heating in your homes?

- Install in all homes in the 2020s
- Install in some homes in the 2020s, install elsewhere in the 2030s and beyond
- Install in most homes in the 2020s, install elsewhere in the 2030s and beyond
- Install only in 2030s and beyond
- Other
- Don't know

**Question 24:** At what point will you be looking to replace failing/end-of-life heating systems with low carbon heating?

- 2020s
- 2030s and beyond

**Question 25:** If you have no plans to install low carbon heating in the 2020s, which options best describe why?

- Prioritising fabric improvements first
- Prioritising other non-fabric measures (such as solar PV)
- It is too expensive
- It would raise bills for tenants
- Don't know enough about it
- Waiting until current heating systems need replacing
- Other
- Don't know

**Question 26:** In your plans for low carbon heating installation, which homes will you target first for low carbon heating? Tick all that apply

- Those with failing/end-of-life heating systems
- On the gas grid
- Off the gas grid
- Higher starting EPC band
- Lower starting EPC band
- Specific housing archetypes (e.g. high rise or terrace)
- Whichever homes are most convenient to install low carbon heating in
- All properties at once
- Other
- Don't know

**Question 27:** Do you plan to install communal low carbon heating or individual low carbon heating?

- Communal (e.g. low carbon heat network)
- Individual (e.g. one air source/ground source heat pump per home)
- A combination of a) and b)
- We have no plans to install low carbon heating
- Don't know

**Question 28:** What proportion of your organisation's homes do you anticipate receiving solar PV installations up to 2035?

- Installed in all homes
- Installed in most, but not all homes
- Installed in some, but not most homes
- Installed in a limited number of homes
- Installed in no homes
- Other
- Don't know

Question 29: Which of the following do you intend to use to fund net zero by 2050?

- Self-funded through existing budgets
- Private finance specifically for decarbonisation purposes (e.g. ESG loans or bonds)
- Private finance at a corporate level
- Innovative financing models (e.g. retrofit credits, comfort charges, Heat/Energy as a Service models, Smart Export Guarantee tariffs)
- Other
- Don't know

**Question 30:** To what extent have the longer-term costs of reaching net zero in social housing by 2050 been factored into your long-term business planning?

- Not at all; we have not considered the costs of any retrofit works beyond meeting EPC C
- A little; we have done a limited amount of work to consider the costs of decarbonisation beyond EPC C
- **Somewhat;** we have started to consider the costs of net zero by 2050 and how to achieve this

- **Substantially**; we have fully considered the costs of net zero by 2050 and are working on how to achieve this
- **Completely**; we have fully considered the costs of net zero by 2050 and factored this into our long-term business plan
- Don't know

**Question 31:** Were you aware of heat network zoning proposals before reading this document?

- Yes, we were aware of network zoning proposals and planning to connect some buildings to a heat network
- Yes, we were aware of network zoning proposals but not planning to connect any buildings to a heat network
- No, we were not aware of network zoning proposals but planning to connect some buildings to a heat network
- No, we were not aware of network zoning proposals and not planning to connect any buildings to a heat network

Question 32: What actions should government consider implementing to increase the number of smart meters installed in the social rented sector? (Select all that apply)

- Create obligations for social landlords to ensure their properties (including where there are communal energy sites) contain smart meters, regardless of whether the landlord or the tenant pays the energy bill.
- Create obligations for social landlords to ensure their properties (including where there are communal energy sites) contain smart meters, only in cases where the landlords is the energy bill payer.
- Create obligations for social landlords to arrange for smart meters to be installed in their properties (including where there are communal energy sites) during void periods and/or during retrofit projects.
- Create positive incentives for social landlords to arrange for smart meters to be installed in their properties, e.g. through SRS MEES.
- Create obligations for social landlords to actively promote smart metering to their tenants, e.g. through sharing literature.
- Support national and/or local campaign activity to engage social landlords and tenants and raise awareness of smart metering.
- Other (please specify)
- Don't know/not sure

Please explain your answer

**Question 33:** (Optional) Do you have any further comments or concerns regarding Minimum Energy Efficiency standards in the social rented sector or on longer term decarbonisation and net zero which have not been mentioned?

Please explain your answer.