



Consultation response

National Energy Action (NEA) response to Improving the energy performance of privately rented homes: consultation

About National Energy Action

National Energy Action¹ works across England, Wales, and Northern Ireland to ensure that everyone in the UK² can afford to live in a warm and safe home. To achieve this, we aim to improve access to energy and debt advice, provide training, support energy efficiency policies, local projects and co-ordinate other related services which can help change lives.

Background to this response

There are approximately 4.6 million private rented households in the UK, and at least a quarter of those households are living in fuel poverty. Private renters are particularly susceptible to rising energy prices given their lack of autonomy over energy suppliers, tariffs and heating systems. Energy efficiency is often the most effective way of reducing bills given the UK's cold, damp and leaky housing stock. However, private renters have limited ability and authority to install energy efficiency measures, while landlords often lack the incentive to invest where tenants pay the bills (particularly in the short-term). It is also harder for tenants to access government energy efficiency schemes aimed at those on low incomes.

Renters in the private rented sector (PRS) are not only struggling with increases in rent but are also having to pay significantly above the average to heat their homes. On average, tenants in the PRS in the least efficient homes are paying as much as an additional £950 per year. Housing within the PRS is also some of the worst in the UK, with two-thirds of rental properties rated EPC C or below³. The less efficient a home, the more energy it takes to heat, and thus the higher residents can expect bills to be.

For many renters, these prices are simply unaffordable. Poor efficiency in the sector has led to the PRS exhibiting the highest concentration of fuel poor households across all tenures, at 25%. This figure relates to 2020 and is now likely to be much higher⁴. Inefficient homes are also more likely to harbour excessive damp and mould – research by Citizens Advice found that 70% of PRS renters have experienced this⁵. These issues can significantly impact both energy costs and health and wellbeing, particularly when faced with pre-existing health conditions.

This has implications for the safety of private tenants, with many resorting to potentially unsafe coping strategies: around a third of private tenants have turned the heating off completely despite cold inside temperatures; 48% of private tenants have had to make cuts in other areas of their lives in order to afford their energy bills; and nearly one in 10 have used their oven for heating. This is particularly problematic for tenants in various intersecting categories of vulnerability.

Proposed energy efficiency standards would produce aggregate annual savings of £1.75bn⁶, improve national energy security and create jobs, while delivering on net zero, energy demand reduction, and fuel poverty targets.

Summary of our response

Our response to this consultation is based around three key themes:

- A tightened standard is essential to fuel poverty alleviation efforts
- A new standard must be introduced alongside new tenant protections
- PRS MEES must be enforceable to achieve any of its stated policy aims.

Each of these is summarised below, before an expansion of our ideas in the answers to the questions posed in the consultation.

A tightened standard is essential to fuel poverty alleviation efforts

National Energy Action has long campaigned for PRS MEES as a critical fuel poverty alleviation tool. While government consulted on proposals to tighten MEES in 2020, no response or follow-up action was taken in the aftermath, leaving millions in cold, inefficient homes, and creating uncertainty for tenants, landlords, local authorities, and the wider supply chain. National Energy Action is pleased to see this long-awaited update and urge government to act decisively to avoid repeating previous delays.

Raising energy efficiency standards in the PRS is essential not only for reducing household energy bills, amid high energy prices that are predicted to persist until the end of the decade, but also for alleviating the health and social burdens of cold homes, which are closely linked to poor physical and mental health, excess winter deaths, and avoidable pressure on the NHS. To maximise these benefits, PRS MEES must be accompanied by robust standards in the PRS to address damp and mould.

In the context of the UK's current fiscal position and hesitance around spending, it is more important than ever that regulation can leverage private investment into energy efficiency upgrades and fuel poverty alleviation efforts. National Energy Action's Fuel Poverty Monitor 2022 – 23 found that £7–8bn in private funding could be generated from more stringent regulation in the PRS⁷.

Leveraging private finance to upgrade homes would see the investment gap required to meet the statutory fuel poverty target drop to £10.8bn. This could remove almost two-fifths of all households from fuel poverty in England by 2030 and add over £3bn of capital value to PRS properties inhabited by fuel poor tenants. The enhanced capital value enhances the loan-to-value ratio of PRS properties, meaning landlords could partially recover the cost of their investment in energy efficiency measures through lower overall borrowing costs.

Delaying action will leave millions of renters suffering in unhealthy, unaffordable homes. Government must now move swiftly from consultation to legislation, to give tenants, landlords, enforcement bodies and the supply chains the certainty they need to prepare for compliance, meaning a smoother and consistent transition to improved housing in the PRS. The government must now deliver on long-standing promises to make rented homes warmer, safer and fairer.

A new standard should be complemented with new tenant protections

There is a suite of policies which must be introduced alongside increased PRS MEES, either to ensure the new standard is functional and actionable or to mitigate against any unwanted consequences. The measures set out below are not covered in this consultation, and so it is crucial that government considers timelines for implementation to ensure the deliverability of MEES in a fair and affordable way.

Renters' Rights Bill

There are several tenant protections proposed within the Renters' Right Bill which must accompany PRS MEES, to ensure that the benefits of energy efficiency regulation are realised by tenants and to mitigate against any unintended consequences.

Firstly, abolishing Section 21 'no-fault' evictions will be essential to protect tenants from retaliatory eviction when reporting non-compliance or pushing for legally required improvements, such as those mandated by MEES. This fear silences tenants, undermines enforcement and allows landlords flouting regulation to avoid accountability. With Section 21 evictions in place, the ambition of improved MEES risks being inequitable and unenforceable in practice, with vulnerable tenants bearing the brunt of inaction.

In addition, a clear and accessible framework to challenge rent increases will be essential in preventing the costs of complying with MEES from being passed onto tenants. While raising energy efficiency standards is vital, this must not lead to rent hikes that price vulnerable households out of improved homes or erode the financial benefits of lower energy bills. Without the requisite protections in place, there is a risk that landlords will use compliance with MEES, particularly where upgrades are subsidised or overdue, as a pretext for inflationary rent rises. A fair, transparent mechanism to resist such increases will be crucial to mediate stark power imbalances within the rental market.

Finally, the Renters' Ombudsman proposed in the Bill must be independent, accessible and empowered to deliver real accountability and redress for tenants. It must be mandatory for all private landlords, including those who use letting agents, to ensure all renters are covered by this dispute resolution mechanism.

PRS MEES must be enforceable to achieve any of its stated policy aims

While enforcement saw very little mention within the consultation, it forms the backbone of regulation. Without it, standards would just be an unsubstantiated commitment, with non-compliant landlords facing no consequences and tenants remaining trapped in cold, damp and unsafe homes despite legal protections. Given the number of EPC F and G-rated properties in the PRS have increased since PRS MEES was first introduced in 2015 – highlighting non-compliance with current standard – it will be crucial that the enforcement framework is strengthened and refined in order to make new MEES deliverable, and thus reduce fuel poverty in the PRS.

The PRS Database proposed within the Renters' Rights Bill will be vital to ensure local authorities are equipped to enforce MEES, and that landlords are accountable to tenants and the public. The Renters' Rights Bill proposals have not set out what will be included in the Database. For the Database to serve these functions, it must contain the following aspects:

- Mandatory registration for all landlords, with a fee for new property listings which will finance enforcement.
- EPC data, which will be essential for identifying, targeting and enforcing energy efficiency improvements in the sector.
- Exemptions: while National Energy Action does not support blanket exemptions other than temporarily for homes where the landlord has exhausted the cost cap, any exemptions must be included in the Database.

There are a number of additional measures which will be required to ensure MEES is enforceable. Increased funding and capacity building, for example through the Warm Homes Plan, will be vital in equipping local authorities with the resources they need to enforce MEES. Local authority capacity has been decimated by 15 years of austerity, so providing the requisite funding would demonstrate a break in this trend for the current government. Current regulation is rarely enforced due to funding constraints, resulting in a postcode lottery present across England and Wales.

Moreover, to support local authorities in their enforcement of the standard, UK Government should look to ensure that there is an agency similar to Rent Smart Wales created in England. This is an invaluable tool, with representatives from local authorities in Wales attributing a 50% reduction in EPC F and G-rated homes in Wales to Rent Smart Wales. This agency could provide a supervisory function, while supporting local authorities on a number of topics: training resources (including enforcement requirements and good practice), legal support (such as prosecuting non-compliant landlords and how to defend legal challenges), and engaging with lettings agents as a crucial touchpoint to uphold regulation.

Clear guidance must be published regarding incoherence or contradiction in regulations and responsibilities. This includes the separation of powers between trading standards and housing officers, both of whom are under resourced within many councils, but also clarity around how MEES interacts with legislation such as HHSRS or the Renting Homes (Wales) Act. Government should publish the findings from the second Local Authority Enforcement pilot and the Local Authority Enforcement Competition.

There must be a framework in place which captures and reports on MEES exemptions. Updating the Home Energy Conservation Act (HECA) model would provide a method to achieve this and would support local authorities to report on enforcement cases, including prosecutions and success rates, and resources dedicated to delivering MEES within individual councils. This would enable tracking of progress across policy priorities, including energy efficiency, fuel poverty reduction and net zero ambitions.

Currently, many local authorities seek to resource enforcement teams by levying fines on non-compliant or rogue landlords. However, research shows that this is an insufficient and unpredictable funding mechanism, whereby landlords often comply with the first notice, meaning they are never issued fines. Landlords who do face fines are often hard to identify, and thus leveraging fines is difficult. While fines, particularly in line with the penalties set out in the PRS MEES consultation, provide a useful deterrent, they are not a self-funding mechanism. As such, a compulsory PRS Registration scheme should require landlords to pay to register their properties, creating a consistent source of revenue for enforcement. In Wales, there are three-year licences in operation. This can help give certainty of funding. UK Government could also provide upfront funding for local authorities to increase enforcement capacity, with fines going back to central government.

Cross-departmental working will be essential to the success of PRS MEES. At a minimum, the Department for Energy Security and Net Zero (DESNZ) must work in tandem with the Ministry for Housing, Communities and Local Government (MHCLG), given MHCLG's ownership of the Renters' Rights Bill and local authority enforcement measures. This must include:

- Working together to ensure that the elements of the Renters Rights Bill are enforceable for the purposes of PRS MEES

- Ensuring that the landlord registration scheme in the Renters Rights Bill is as useful for the enforcement of PRS MEES as possible.
- MHCLG should look to consult, at the earliest opportunity, to extend the standards set out in this consultation to the social rented sector.

PRS MEES in Wales

PRS MEES sits across England and Wales, while the Renters' Rights Bill is specific to England. However, the framework in Wales is different. The equivalent to the Renters' Rights Bill is the Renting Homes (Wales) Act, which does not ban Section 21 evictions (although sets additional conditionality around them compared to the current picture in England, pre-Renters' Rights Bill being enacted); has thinner requirements around safety; and does not include provisions to allow tenants to challenge rent increases. Welsh Government will need to set out how it will prevent making use of loopholes to pass costs on to tenants, or to use evictions as retaliations for tenants reporting breaches of standards.

Answers to the consultation questions:

Question 1. Do you agree with government's preferred position of using new alternative Energy Performance Certificate (EPC) metrics following EPC reform as the basis for higher Minimum Energy Efficiency Standards (MEES) for privately rented homes?

Yes, National Energy Action agrees with the government's plan to use EPC metrics post-EPC reform as the basis for PRS MEES.

It is crucial that, alongside the introduction of the new framework, government supports the training of officials to ensure requirements and technicalities are understood. There is also a need to increase checks and review the auditing process to reduce fraud to ensure that MEES regulations are complied with by landlords. An informational campaign must also be administered to educate the public, lettings agencies, local authorities, tenants, landlords and any other actors sitting across PRS MEES on the new EPC regime, and how this will work for them in practice. It is particularly crucial that fuel poor, low-income and vulnerable understand how the new EPC regime works, given the intersection with PRS MEES, a central tenet of fuel poverty alleviation efforts.

There is, however, a need to ensure that the standards set out in this consultation can be implemented as swiftly as possible. UK Government should not feel the need to wait for new EPC regulations to be in place to implement PRS MEES, if new EPC regulations are significantly delayed. Doing so would place meeting the 2030 fuel poverty target in significant peril.

Question 2. Government would welcome views on options for setting future MEES against a combination of new EPC metrics. Do you agree with government's preferred approach of having a requirement to meet a primary standard set against the fabric performance metric and then a secondary standard set against either the smart readiness metric or heating system metric, with landlord discretion on which secondary metric their property meets?

Yes, National Energy Action agrees with the government's approach to prioritise fabric performance. This metric is particularly helpful in producing recommendations for landlords to install energy efficiency measures, which can act as a proxy for thermal comfort.

This fulfils a 'Warmth First' approach, which aims to decarbonise homes to achieve better outcomes for occupants, not merely as a carbon accounting exercise that is undertaken to meet upcoming carbon budgets. It is crucial for the millions of people who currently live in cold homes. Simply swapping heating systems driven by fossil fuels for clean heat will not suffice. Enabling measures such as energy efficiency and regulatory standards will be crucial in achieving warmth for fuel poor homes.

It is fine for the secondary standard to be set against either the smart readiness metric or the heating system metric. However, this comes with two caveats:

- 1) The government must set out how it plans to ensure consistency across properties, particularly given the element of landlord discretion within the secondary standard. One way of doing this would be setting out clear rules within the PRS MEES framework which direct landlords towards adopting options that are best for reducing fuel poverty. There is a risk that landlords will seek to minimise expenses by installing low-cost measures, which may not necessarily be best suited to reducing energy bills and increasing thermal comfort.

A government-commissioned agency, working at either national or regional levels, could support landlords in understanding and implementing recommendations within EPCs.

- 2) The government will also need to clarify how it intends to convey new regulations to tenants in a clear and accessible way. While the proposed method for measuring MEES is more comprehensive than that under the current EPC regime, and provides a better overall picture, introducing multiple metrics unavoidably adds complexity. This will be particularly challenging for households with vulnerabilities or accessibility issues, or for those not currently engaged with the EPC regime. Given the role that tenants knowing their rights under new regulation plays in making PRS MEES enforceable, it will be essential for the government to demonstrate clarity around presentation of metrics. This is yet to be addressed within the consultation.

Question 3. What are your views on the alternative approaches of:

Alternative 1: A requirement to meet a standard set against dual metrics of equal weighting. The standard would be set against dual metrics including two of the following: fabric performance, heating system and smart readiness.

Alternative 2: A requirement to meet an overarching standard set against all three metrics of fabric performance, heating system, and smart readiness, either through improvements across all standards or through landlords concentrating improvements against one or two standards.

National Energy Action strongly favours the approach proposed by the consultation over either alternative approach. While it is permissible for both the heating system and smart readiness metrics to be included as secondary measures, whereby fabric performance must be fulfilled first, allowing either of these measures to be prioritised risks deviating from installations and works that will alleviate fuel poverty. As aforementioned, the fabric performance metric is likely to both reduce bills and improve thermal comfort, whereas neither heating system nor smart readiness will necessarily reduce poverty in isolation and may at times come into conflict with the fabric readiness metric.

Heating systems, for example, may fail to benefit fuel poor, low-income and vulnerable households, or may even disadvantage them. Heat pumps currently do not work efficiently or effectively when households are rationing heat as they are designed to provide a consistent level of heat, and the interaction between heat pumps and other coping mechanisms used by fuel poor households suggest that heat pumps may in fact increase costs relative to gas boilers without providing additional thermal benefits. Achieving the requisite fabric standard first would better enable households, particularly those who are fuel poor, to use heat pumps effectively (whereby demand is reduced, and thus is the need to ration).

Additionally, any assessment of heating systems must consider system, and not just appliance, efficiency. In particular, the practicality of advanced control systems, zoning and thermal stores to allow people the ability to limit which parts of homes they heat. Another consideration is the affordability of heat pumps in relation to specific tariffs, and the longevity of those tariffs. Assumptions that households are able to access tariffs long-term must be carefully made and only where there is certainty that these tariffs will be available.

Smart readiness, in isolation, may also neglect to alleviate fuel poverty. Smart technology allied to flexibility services has the potential to result in significant savings, efficiency and controllability gains for households. It is worth building these in now as they will only increase in relevance moving forward, as technology develops and is rolled out into homes. It is particularly important that heating controls are 'smart', beyond just being internet connected. For example, thermostats that can regulate the use of the heating system to cycle less frequently, including through use of weather compensation, can lead to significant savings for the householder with no loss of comfort.

However, it is also worth noting the distributional risks of smart technology, which may contribute to an 'unfair' transition. There are a number of barriers to, or risks emerging from, smart technology:

- Financial barriers, including high upfront costs or high ongoing costs which make technologies inaccessible for low-income households. This also includes the affordability of internet access, which will often be a prerequisite to installing smart technology. There are particular groups within the Equalities Act who are more likely to experience low household incomes, and are therefore at greater risk of experiencing these barriers.
- Physical barriers, including the complexity of interfaces and signal issues with smart meters. Signal issues disproportionately impact rural households, flats with shared metering cupboards, and lack of access to time-of-use tariffs for households with submeters. In-Home Display (IHD) units can often be impacted by signal or connectivity issues, reducing access to live-time information for households.
- Accessibility concerns are varied: this includes digital exclusion, which could be lack of access to smart phones or the internet as well as lack of knowledge around how to use smart devices. There are additional barriers to benefitting from flexibility for digitally excluded households, as well as those with language barriers, as flexible tariffs require monitoring. Households are likely to miss out on this if they are not able to receive notifications notifying them to opt in. Households experiencing digital exclusion are likely to pay inflated costs due to them struggling to access the cheapest deals, online-only support, or support which cannot be translated.
- The information and advice landscape lacks specific resources on smart technology and is subject to a postcode lottery. Overcomplexity of options can be overwhelming, particularly for those with learning difficulties or memory issues, for example.
- Many households express a lack of trust in technologies, whether due to concerns regarding data security, reliability (and dependence on faulty or insufficient technology), or general scepticism around net zero.

The Energy Performance of Buildings 2025 consultation is yet to set out how a smart readiness metric would interact with other policy objectives and priorities, and how this would be managed within EPCs. As set out in our response to this consultation, smart readiness, for example, must not be prioritised over affordability or thermal comfort (defined through the fabric metric), particularly given insulation's importance as a precursor to smart technology in reducing fuel poverty. As such, the alternative options pose a risk to fuel poverty alleviation.

Question 4. Do you have any alternative suggestions for how government could utilise new EPC metrics as the basis for MEES, such as a single metric approach (e.g. fabric or cost based?) Please provide a rationale with your answer.

National Energy Action supports the government's proposed approach to prioritise fabric efficiency measures.

Question 5. Do you agree with government's proposal to increase the maximum required investment for Private Rented Sector (PRS) MEES to £15,000 per property and for landlords to be able to register an exemption if expenditure would take them over this figure? If not, please set out whether you consider a cap should apply and how; and if so, what level you consider the cap should be set at and why (whether this is the 2020 proposal of £10,000 or another figure). Please explain your answer.

National Energy Action welcomes the government's proposal to increase the cost cap to £15,000 per property. When the previous proposed cost cap of £10,000 was first consulted on in 2019, it was estimated that this would serve 70% of homes. Because of inflationary impacts, this will now be a much lower percentage of homes, and thus the uplift in the cap on spending is welcome to ensure that as many PRS homes as possible can benefit from PRS MEES. A valuable standard must be able to address a majority of homes. This is the government's chance to alleviate the fuel poverty endemic in the sector, and thus MEES must not be too thin to be meaningful. In addition, some of the most expensive homes to upgrade will also be home to some of the most severely fuel poor, given the overlap in low household efficiency and low household incomes, and thus it is crucial that these homes see improvements.

In order for this policy to maintain the intended impact on fuel poverty alleviation, energy efficiency (including energy demand reduction), and decarbonisation, the cost cap should be adjusted annually in line with inflation. This would ensure MEES is future proofed. Specifically, the government should increase the cost cap alongside the Consumer Price Index from the previous financial year. The Office for Budget Responsibility estimates that £15,000 will be worth £13,000 in 2030 in today's prices⁸. The reduction in relative spending requirements per property could significantly weaken the policy's impact, for example, by situating more expensive measures outside the cap's scope, and disincentivise early action.

National Energy Action also agrees that landlords should be able to register an exemption if expenditure takes them over this figure. Grant funding should not be included within this spending cap, particularly given the £15,000 initial grant available to landlords under the Warm Homes: Local Grant and following grants of £7,500. This represents a significant amount of public money channelled into the private property of landlords. As responsible business owners, landlords should be able to invest independently in order to comply with regulation. Spending constitutes an investment for landlords, whereby homes will often increase in value as a result of energy efficiency upgrades. National Energy Action does, however, support a low-interest loan scheme which could provide landlords with cheap finance options to incentivise early upgrades.

Question 6. Should government extend the exemption period for the cost cap to ten years? If not, how long do you think the cost cap exemption should last? Please explain your answer.

No, the government should not extend the cost cap exemption period.

Question 7. Do you agree with government's preferred implementation timeline to require 'new tenancies' to meet the higher standard from 2028 and 'all tenancies' to meet the higher standard by 2030? If not, do you have alternative suggestions?

Yes, National Energy Action agrees with the timeline set out by the government in this consultation. However, it is crucial that this is not pushed back any further. Landlords have had ample time to start thinking about upgrading homes, given that a PRS MEES standard of EPC C was first consulted on in 2020. The timeline set out here still allows three years to prepare new tenancies and five for existing tenancies.

It is crucial that supply chains are geared up to deliver PRS MEES ahead of 2028, and thus the government should consider how to respond to existing training and skills gaps. The EPC framework must also be in place, ideally by 2026. In addition to this, the government should consider establishing an advice agency supporting landlords to meet PRS MEES, similar to Rent Smart Wales. There will also be need for financial support in the form of loans – this scheme should be tested and made available as soon as possible in order to aid early delivery.

National Energy Action notes that if an earlier date was chosen for new tenancies, there could be a risk that the regulations are not laid in a timely enough manner, and therefore the policy could be subject to a Judicial Review, which would ultimately work contrary to the stated aims of the policy.

Question 8. Do you agree with government's proposal that, as an EPC reform transition measure, landlords should be able to demonstrate their properties are compliant with the existing standard of EPC E using their past EPC?

and

Question 9. Do you agree properties that have an EPC rating of C against the EER on EPCs before 2026 should be recognised as compliant with the future standard until their EPC expires or is replaced?

Yes, National Energy Action agrees with this proposal. While requiring all new landlords to commission a new EPC under the new framework after 2026 would provide consistency across standards and move landlords over to the new EPC framework as quickly as possible, this risks disincentivising landlords from early action or from upgrading properties before 2026.

Question 10. Do you agree with government's proposal to require landlords to commission a new EPC before taking action to comply with higher MEES?

Yes, National Energy Action broadly agrees with the government's proposal to require landlords to commission a new EPC before taking action to comply with higher MEES standards. Recommendations provided through EPCs, particularly following EPC reform, should deliver advice which effectively addresses fabric performance (and therefore fuel poverty). This is particularly important within the private rented sector given the prevalence of old homes, with 31% constructed before 1919⁹.

However, UK Government must consider whether there will be capacity constraints for EPC assessors, and whether access to the property can be assured. Such things should not stand in the way of a landlord needing to make improvements to reach the new standard.

10.1. Should the cost of this new EPC be included within the cost cap?

No, the cost of EPCs should not be included within the cost cap. Getting an updated EPC is an established business cost for landlords. The cost cap should reflect real improvements to the property, not ancillary or associated spending.

10.2. Should landlords still be required to commission post-improvement EPCs? If yes, should the cost of the post-improvement EPC also be included within the cost cap?

Post-improvement EPCs show the updated energy efficiency of a property after improvements have been made which reflect the new energy performance rating and potential cost savings. This is valuable because it demonstrates the impact of energy efficiency measures for tenants. Without post-improvement EPCs, the level of energy efficiency in homes will be unclear to tenants, enforcement bodies, landlords, and policymakers. As above, the cost of these EPCs should not be included in the cost cap.

Question 11. Should government develop an affordability exemption? If yes, what eligibility criteria would be the most appropriate for an affordability exemption? Please indicate which, if any, of the proposed approaches you support or otherwise provide alternative suggestions.

An affordability exemption will mean that some of the least energy efficient homes in the PRS are left behind, whereby the worst performing homes are likely to require the highest level of investment to reach the proposed minimum standard. If there is to be an affordability exemption, it must be very strictly targeted. None of the current options as set out in the consultation would be appropriate and all risk casting the net far too wide in terms of eligibility, therefore capturing landlords who do not need an affordability exemption.

Without impact assessments for each option, it is very difficult to provide an informed response to this question. However, we have included critiques of the four approaches suggested in the consultation, and included suggestions around a 'fifth way', which would target exemptions by means-testing landlords. Low rents are not a proxy for low-income landlords, particularly given the possibility of portfolio landlords charging low rents, and thus all of the rent level-based options set out are poorly targeted. In addition, those paying the lowest rents are often doing so because they cannot afford to pay lower rents, and thus 'exempt' tenants under these options are more likely to be low-income, vulnerable and fuel poor.

Rent level-based approach

Using rent levels to define an exemption could mean more affordable homes are exempt from standards, which would constitute poor targeting given the likelihood of low-income tenants in homes with low rents, and the overlap between low-income households and low efficiency homes. It is possible that homes are marketed at lower rents due to energy inefficiency, so preventing these households from benefitting from the same level of regulation (by implementing a reduced cost cap) is likely to exacerbate fuel poverty. Furthermore, rents are not necessarily proportionate to the value of homes.

In the consultation, a rent-level based approach is purported to have the benefit of 'reduc[ing] potential rent rises while ensuring landlords make energy efficiency improvements'. This mechanism cannot be relied upon to prevent landlords passing on the costs of MEES to tenants via

rent increases: there must be comprehensive protections in place for low-income tenants who should not have to choose between increased rents and warm and safe housing.

Broad Rental Market Area based approach

National Energy Action understands the benefit of an approach which considers local trends in rent prices. However, this poses the same issues: landlords with lower income through household rents would see a lower cap, which might prevent some of the worst performing homes from being upgraded to a reasonable level. Given varying qualifying criteria based on house sizes, this approach would be difficult to enforce. Local authorities will need to be aware of the differing cost caps, and disseminating messaging to landlords and tenants will be made more complex.

Council tax band approach

While National Energy Action appreciates that the approach is slightly easier to enforce and communicate, given existing local authority-held data on council tax bands, this is still an inappropriate way of defining an affordability exemption criterion. Council tax bands are a poor proxy for low-income households – there are approximately 640,000 households in England in the lowest three income deciles who live in homes in council tax Band E and above.

They are also a poor measurement of value, having been set in April 1991 and not upgraded since. They are, therefore, inconsistent, particularly with disparate trends in house value across the UK. This means that homes in areas with slower house value appreciation may be within higher council tax brackets than those who have appreciated massively over the past 34 years. There is, accordingly, a strong regional skew to this policy, whereby more than one-quarter of households in the South East, London and the South West live in Bands E and above

Local authority area-based approach

A local authority-based exemption would be an extremely broad proxy, particularly given the variation within local authority areas, and would capture far too many households than would be appropriate for an exemption. While having a single defined investment cost cap per local authority area would simplify the role of local authorities, the trade off would be a significant number of fuel poor households found to be 'exempt' from the vital protections provided by this regulation.

A fifth way: means-testing landlords

Given the difficulty in setting an affordability exemption at a level that captures relevant households without setting eligibility too wide, if there must be a cost cap, the fairest way would be to create a framework within which landlords must apply for a means-tested affordability exemption. The government should set this at a level that they think is affordable, and the onus is then on the landlord to prove that they fit within the eligibility criteria.

Given the potential risks to fuel poverty alleviation efforts, this affordability exemption should apply to as few homes as possible. Landlords run businesses, and the costs of maintenance works to comply with regulation should be built into operating costs. The government's recent survey of landlords suggest that most landlords can afford the cost of these upgrades, so this should apply as thinly as possible. A mechanism will be required to support households who are exempt to ensure that they are not paying a premium to live in energy inefficient homes.

While National Energy Action supports the use of proxies that capture households on the peripheries of fuel poverty when rolling out support for fuel poor, low-income and vulnerable households, allowing such sweeping exemptions for landlords would undermine the purpose of PRS MEES.

Question 12. Should government apply the PRS MEES Regulations to short-term lets? Please explain your answer.

Yes, it is crucial that PRS MEES applies to short-term lets. This is particularly important given the dramatic increase in the number of homes let on a short-term basis over recent years. Making short-term lets exempt from regulation creates the risk that landlords will move to the short-term let sector seeking a more favourable regulatory environment, incentivising landlords to leave the sector in a regulatory race to the bottom. This can have particularly poor implications for local residents and housing availability, and lead to a decline in housing quality and an increase in housing costs.

It is also crucial that short-term lets are brought into the scope of MEES in order to fulfil our net zero and energy demand reduction targets. While the exact number of short-term lets is unknown, there are approximately 500,000 second homes in the UK, many of which will be let out as short-term lets. Ignoring the need for energy efficiency within these homes will have a significant impact on the UK's ability to meet its domestic decarbonisation commitments.

If short-term lets were not included in the standard, a perverse incentive could be created for landlords to move towards shorter lets for tenants, to avoid the need to spend funds on upgrades. This would clearly be detrimental to renters, who would be given far less certainty and would be at odds with the general direction of travel in the sector.

Question 13. What actions could government take, including changes to the law to encourage or require smart meters in properties undergoing efficiency upgrades, to increase the number of smart meters installed in the PRS? Please provide your rationale and evidence for any suggestions for actions you have.

Smart meters are an important part of the solution to alleviate fuel poverty. In particular, replacing legacy prepayment meters with smart meters can have significant benefits for householders, including more control over topping up, greater access to support, and greater choice over energy supplier and tariff. UK Government should look to encourage, and if possible, require, landlords to replace traditional meters with smart meters wherever possible.

Research from Smart Energy GB has demonstrated that private renters are less likely than the wider population to own a smart meter. This is despite having relatively higher levels of interest, compared to the general GB population.

This is due to a number of perceived and real barriers, including things like:

- Believing 'it's not my property, so it's not my responsibility'
- Thinking they need to explicitly seek their landlords' permission to install one, despite Ofgem [saying its the billpayers choice](#)
- Trying to get one but being told by their landlord or letting agent that they can't have one, and finally
- Having higher transience, making the 'effort' of getting a smart meter seem less worthwhile.

An improved approach that incentivises landlords to encourage a smart meter installation may contribute to lowering the perceived barriers for private renters, helping more private renters engage or re-engage with the installation journey. This could, for example, be built in as a requirement for the ‘smart readiness’ part of the standard.

Question 14. Do you think the current MEES exemptions available to landlords are suitable?

and

14.1. Are there other circumstances, not covered by the current MEES exemptions regime, where you think government should consider making exemptions for?

National Energy Action believes that the only blanket exemption which should be available to landlords under the new PRS MEES regime is the cost cap. There is a significant risk that landlords abuse exemptions in order to evade legal responsibilities towards tenants and households. Evidence suggests that the current enforcement register is both misused and misunderstood by landlords. Currently, landlords can self-register exemptions without any requirement to lodge evidence. Many councils lack the resources to monitor registered exemptions, resulting in some council jurisdictions with up to 60 – 70% invalid exemptions¹⁰.

In exceptional circumstances, National Energy Action would be happy to see local authority-based housing professionals (for example, environmental health officers or housing officers) issue exemptions on an ad hoc basis. Local housing professionals sit much closer to the detail than central government departments, hold expertise in housing issues, and are professionals at navigating landlord-tenant relationships and disputes. They are therefore best placed to make judgements on when landlords should be exempt and are most likely to be able to identify misuse and abuse of exemption frameworks by landlords.

The below exemptions could be considered:

Consideration	Description	Pros	Cons
Where households refuse measures	Households retain the right to refuse measures.	This ensures that households retain agency and that work is carried out with residents’ support.	This would mean that those households that are least engaged with net zero are unable to benefit fully from it.
Where disruptive work is required in a household that includes vulnerable people	Some measures require very disruptive work during installation, which could result in adverse outcomes for occupants who are vulnerable, such as those with medical conditions.	Efforts to decarbonise the home would not adversely affect vulnerable people’s health.	Risks leaving vulnerable people behind in leaky homes.

Question 15. Do you agree with government’s preferred position to keep a potential requirement on lettings agents and online property platforms under review whilst the PRS Database is being developed for properties in England?

No. National Energy Action disagrees with the government’s preferred position to keep a potential requirement on lettings agents and online property platforms under review. Lettings agencies and online platforms play a central role in ensuring adherence with regulations in the PRS, with 50% of landlords using agencies¹¹. The government committed to set out a position on the regulation of property agents in 2024¹², and new PRS MEES regulation provides an opportune moment to define this. This decision should follow from the House of Lords Industry and Regulators Committee.

Lettings agencies and online platforms should act as intermediaries between tenants and landlords and should therefore carry the same duty as landlords to provide information to households on the energy efficiency of their homes. Accordingly, there should be a requirement on lettings agencies and online portals to display EPCs, which provide crucial information guiding tenant decision-making. This must be supported by ensuring that EPCs are included and accessible within a mandatory PRS Database under the Renters’ Rights Bill.

Lettings agencies see thin regulatory requirements currently, which allows the listing of non-compliant properties without consequence. In order to ensure that agencies and online platforms are responsible actors within the sector, there should be a requirement on all to be part of a redress scheme, and a system of penalties for non-compliance of regulations would make this enforceable. An agency such as Rent Smart Wales could play a regulatory role.

Question 16. Do you have any new evidence to submit regarding the topics as summarised in Chapter 2 of this consultation? Please specify which topic you are providing new evidence for.

We undertook polling in January 2025, which showed that 16% of PRS households had struggled to meet heating costs (which was double the number of owner-occupiers who answered the same; and compares to 10% of households in receipt of a mortgage). This polling also found that over half (52%) of households saw themselves as likely to ration in the following three months.

Question 17. Is there any additional information or evidence you would like to provide on either the effectiveness of the existing PRS regulations 2015 and guidance, or interactions with other policies?

Boosting enforcement

Policy consistency and coherence

The previous government undermined current MEES requirements (and the enforcement of them) by reducing overall local authority resources, removing key reporting requirements and failing to provide clarity on MEES policy (including the change from the ‘golden rule’ to the cost cap, muddling the responsibility at a local level between housing officers and trading standards, and signalling the extension of MEES in 2019 and before rowing back on this in 2023). Even the very modest efforts to identify good practice were not made publicly available or cascaded to anyone within the sector.

The new UK Government needs to show much greater leadership. This means setting out MEES consultation responsibility and lay regulations and issue guidance for local authorities by the winter. Within the latter, this should specify how MEES works alongside wider housing duties (**not trading standards**), especially mandatory licensing and the Housing health and safety rating system (HHSRS).

Oversight and galvanising activities

Alongside capturing and reporting on MEES exemptions (especially latter for Welsh Government and Rent Smart Wales), develop a new reporting mechanism to capture and aggregate enforcement cases (prosecutions and successful enforcement cases). This should include reporting of wider housing duties and how many staff are currently employed to monitor/enforce these duties. This new reporting regime could be introduced alongside an updated HECA framework. This would provide a vital tool to track local authority delivery on energy efficiency and efforts to reduce fuel poverty, efforts to shift to clean heating and potentially reporting on domestic carbon emission reduction. This data could help to target further policy interventions.

Training and capacity building

There is a need to consider the establishment of a new agency (similar to Rent Smart Wales) to build awareness of regulatory requirements and work with local authorities to drive up enforcement. There are lots of activities that can help to do this but training modules on enforcement requirements, good practice landlord compliance and how to successfully defend legal challenges by landlords should aid enforcement officers. The new agency should also develop new ways of engaging letting agencies to ensure they are supporting the new regulatory requirements and encouraging compliance from landlords and protecting tenants' rights to demand improvements.

Legal support

Local authorities should be given legal support to prosecute landlords and ensure legal challenges by the latter are legitimate and aren't just being used to slow down, frustrate or block necessary improvements.

Ensuring EPC reform doesn't not complicate compliance and its verification

If EPC reform results in an extremely complicated measurement and reporting of energy performance, there is a risk that compliance and its verification becomes overcomplicated, meaning that enforcement is much more difficult. UK Government should look to ensure that, if this happens, PRS MEES is separate enough from the reform, taking only the needed elements (such has been suggested in this consultation) for compliance purposes.

Interactions with other policies

a) Renters' Rights Bill

Requirements for the PRS Database include:

- Mandatory registration for all landlords, with a fee for new property listings which will finance enforcement. This ask is elaborated on within the third theme of the Executive Summary. Without a central, up-to-date register, local authorities and government lack the information required to enforce regulations, which weakens ability to target interventions, delays enforcement, and allows non-compliant landlords to operate with impunity. Mandatory registration levels the playing field among landlords, to ensure that no one is undercut by those ignoring the law.
- EPC data, which will be essential for identifying, targeting and enforcing energy efficiency improvements in the sector. EPCs provide a standardised measure of a property's energy

performance, which will be critical for monitoring compliance with MEES regulations and tracking progress towards fuel poverty and decarbonisation targets. This also increases transparency and accountability within the rental market by enabling tenants to make informed decisions about their housing. EPCs also form criteria for several government-funded incentives and upgrade schemes, so including this information within the Database should aid delivery.

- Exemptions: while National Energy Action does not support blanket exemptions other than temporarily for homes where the landlord has exhausted the cost cap, any exemptions must be included in the Database. This will be essential for ensuring transparency and upholding the integrity of the regulatory framework, whereby exemptions are intended to be a limited and justified exception to the rule and not a loophole. Without publicly accessible data on which properties have claimed exemptions, and on which grounds, it would be extremely difficult for local authorities to verify validity or monitor abuse. This will also help to generate national-level data on the scale and impact of exemptions.

Appeals against excessive rents, designed to act as de facto evictions, will be adjudicated by an independent tribunal. It is crucial that this mechanism does not place an unfair burden on tenants by requiring them to initiate legal action without legal aid or accessible advice. There are a number of barriers to this process, particularly for vulnerable tenants, which include fear of retaliation, lack of time, cost, and inaccessibility of process. This approach may fail to address the landlord-tenant power imbalance. A proactive, preventative framework which sets clear limits on passing retrofit costs onto tenants, rather than expecting renters to challenge this after the fact, will be essential.

This is particularly relevant when landlords are accessing public money through government schemes, whereby passing costs onto tenants denotes a clear transfer of public wealth to private landlords. Currently, the guidance for local authorities under the Warm Homes: Local Grant is that DESNZ will provide local authorities with a form that must be completed by landlords, which requires landlords to declare they 'do not intend to raise rents as a direct result of upgrades being installed which are being funded by the scheme'. This is weak and lacks enforcement powers, particularly without the necessary funding and capacity building to support local authorities.

b) Warm Homes Plan

The new government has pledged to launch a home upgrade loan, which will offer low-interest rates for insulation, solar panels, batteries and low-carbon heating in order to cut bills. This will complement proposals to increase MEES by allowing landlords to access low-cost finance to upgrade homes and, if implemented soon, can encourage early uptake. This scheme should be subject to consultation and pilots to ensure effective design and operability. National Energy Action has set out proposals and costing for a low-interest loan scheme in our Spring Spending Review submission.

c) Awaab's Law and the Decent Homes Standard

While MEES is essential, it is a narrow standard in that it does not explicitly cover issues such as damp and mould, structural disrepair, overcrowding, lack of hot water or unsafe electrics. Both the Decent Homes Standard (DHS) and Awaab's Law are pieces of legislation currently covering the social housing sector. These standards must be applied within the PRS to provide tenants with stronger protections, and landlords with firmer duties.

DHS sets out a broader minimum criteria for housing quality which includes freedom from Housing Health and Safety Rating System (HHSRS) hazards and requirements for a reasonable state of repair. The government consulted on applying the DHS to the PRS in 2022 and must now enact this extension. Meanwhile, Awaab's Law mandates time limits within which social housing providers must take action on hazards like damp and mould. Although linked to the tragic death of Awaab Ishak, who lived in social housing, the same risks are arguably even more rife within the PRS, given the prevalence of poorly insulated, low efficiency homes. Without similar regulation in the PRS, tenants still face dangerously long waits and lacks the statutory urgency to act on health risks.

References and Notes

¹ For more information visit: www.nea.org.uk.

² National Energy Action also works alongside our sister charity Energy Action Scotland (EAS) to ensure we collectively have a UK wider reach.

³ Department for Levelling up, Housing and Communities (DLUHC), 'English Housing Survey 2021 to 2022: Headline Report', 15 December 2022.

⁴ Department for Business, Energy, and Industry Strategy (BEIS), 'Annual Fuel Poverty Statistics in England (2020 data)', February 2022.

⁵ Yonder Solutions, Online survey of 2000 private renters 23rd – 31st January 2023.

⁶ E3G, 'Cutting Energy Bills and Raising Standards for Private Renters', January 2023.

⁷ National Energy Action, UK Fuel Poverty Monitor 2022 – 23: 'Energy Crisis: Two Years in – Urgent Action on Fuel Poverty Policy', January 2024.

⁸ Office for Budget Responsibility, 'Economic and fiscal outlook – March 2025, 26th March 2025.

⁹ Ministry of Housing, Communities and Local Government (MHCLG), 'English Housing Survey 2023 to 2024: Headline Report', 28th November 2023.

¹⁰ E3G, 'How to improve living standards for millions of private renters in England and Wales: Designing a fair and effective enforcement strategy', March 2025.

¹¹ Ministry of Housing, Communities and Local Government (MHCLG), 'English Private Landlord Survey 2024: main report', 5th December 2024.

¹² Hansard, House of Commons Debate Monday 28th October 2024, vol. 755. Available at: <https://hansard.parliament.uk/Commons/2024-10-28/debates/5F1ABA2D-9E4C-45B9-9879-FAD2278449E8/PropertyManagementServices>.