Debbie Haynes

www.oxford.gov.uk

OXFORD CITY COUNCIL

Minimum energy standards in private rented sector – Legislation and Oxford City's work so far

shutterstock · 66375160

ALEO

April 2017

www.oxford.gov.uk

OXFORD CITY COUNCIL

Private rented - domestic

Is it subject to Minimum Energy Efficiency Standards (MEES)?

www.oxford.gov.uk

OXFORD CITY COUNCIL

The Regulations apply to domestic private rented sector properties in England and Wales. This means

- **Properties let under an assured tenancy or a shorthold.**
- **A tenancy which is a regulated tenancy for the purposes of the Rent Acts.**
- **Properties let**
- **(a) On a tenancy which is an assured agricultural occupancy**
- **(b) On a protected tenancy under the Rent Act 1976**
- **(c) On a statutory tenancy under that Act.**

What is included (ie needs an EPC)

- Any domestic privately rented property which: has an EPC, and is either (i) required to have an EPC; or (ii) is within a larger unit which itself is required to have an EPC, either at point of sale, or point of let.
- Flats and houses are subject to the regulations.
- Non self-contained units such as bedsits do not require an individual EPC.
- If a property does not have an EPC then the regulations do not apply.

www.oxford.gov.uk
OXFORD CITY COUNCIL

Minimum Energy Efficiency Standard (MEES)

- Minimum energy standard of an EPC rating of "E" and for domestic privately rented property which has an EPC or is required to have an EPC
- F or G Energy Performance Certificate (EPC) ratings need to implement cost-effective energy efficiency improvements.
- From 1 April 2016, a landlord of a sub-standard domestic property must not unreasonably refuse consent to the energy efficiency improvements if requested by a tenant.
- Apply from 1 April 2018, upon the granting of a new tenancy to a new tenant and a new tenancy to an existing tenant.
- From 1 April 2020, the regulations will apply to all privately rented property in scope of the regulations

www.oxford.gov.uk
OXFORD CITY COUNCIL

Exemptions

- They have undertaken those improvements that are cost effective but remain below an E EPC rating. (e.g. within Green Deal's Golden Rule)
- They are unable to install those improvements that are cost-effective without upfront costs
- Necessary third party's permission to denied or unreasonable conditions applied
- The landlord requires consent, and the occupying tenant withholds that consent.
- Measures would cause capital devaluation of the property of more than 5%.
- Professional advice – not appropriate improvement due to its potential negative impact on the fabric or structure of the property.
- Listed buildings where “insofar as compliance with certain minimum energy efficiency requirements which would unacceptably alter their character or appearance”
- PRS Exemptions Register open from 1st October 2017

www.oxford.gov.uk
OXFORD CITY COUNCIL

When it applies

- **Government currently discussing whether needs to be no upfront cost and meet 'Golden Rule' or whether they will implement a 'cap' of £5000 per underperforming property. Improvement measures:**

Air source heat pumps, Thermostat boilers, Thermostat room heaters, Cavity wall insulation, Solid wall insulation, Cylinder thermostats, Draught proofing, Duct insulation, Hot water showers/ systems (efficient), Hot water taps (efficient), Fan assisted replacement storage heaters, Flue gas recovery devices, Ground source heat pumps, Heating controls, Heating ventilation and air conditioning controls, High performance external doors, Hot water controls, Hot water cylinder insulation, Internal wall insulation (or external walls), Lighting systems fittings and controls, Loft or rafter insulation, Mechanical ventilation with heat recovery, Micro combined heating power, Micro wind generation, Pipework insulation, Photovoltaics, Chillers, Gas fired condensing boilers, Replacement glazing, Oil fired condensing boilers, Warm air units, Radian heating, Roof insulation, Ceiling improvements, Secondary glazing, Solar water heating, Solar blind, shutters and shading devices, Transpired solar collectors, Under floor heating, Under floor insulation, Variable speed driers for fans and pumps, Waste water heat recovery devices attached to showers, Water source heat pumps

www.oxford.gov.uk
OXFORD CITY COUNCIL

Oxford City Council

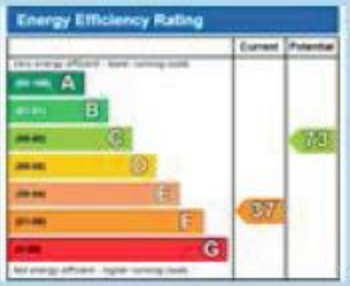
www.oxford.gov.uk

OXFORD CITY COUNCIL

Private Sector Safety and HMO teams have taken a double faceted approach:

1) Supportive:-

- **sourcing funding including Private Rented Energy Efficiency Grant (funder –Ebico Charitable Trust)**
- **thermal imaging for landlords**
- **regular general landlord and landlord accreditation events - update on legislation, responsibilities and funding**
- **Also newsletters, flyers and information on the website.**
-



From 2018, landlords will not be able to rent out properties that score lower than an 'E' in their Energy Performance Certificate (EPC). Prepare now by protecting your business and make the most of current, time-limited grants.

Don't miss out, visit www.oxford.gov.uk/energygrants

HHSRS – Private sector safety team (PSST)

www.oxford.gov.uk

OXFORD CITY COUNCIL

Enforcement

- **HHSRS – F and Gs at high risk of Category 1 Excess cold.**
- **Programme of 'whole house' inspections and HHSRS assessments**
- **Works requiring the owner/landlord to improve energy efficiency through means of either working by agreement or through enforcement measures under Part 1 of the Housing Act 2004.**
- **59 properties inspected - works include: New central heating system, Loft insulation, Wall insulation (mostly cavity wall but a few ones have installed internal wall insulation), Upgraded night storage heaters.**

Case study: PSST improve energy efficiency to allow a vulnerable man to remain in his home.

www.oxford.gov.uk

OXFORD CITY COUNCIL

- Victorian terrace - a vulnerable gentleman in his 50's and under the care of MenCap.
- No heating and the single glazed timber windows in poor condition and no loft insulation.
- HHSRS inspection of the premises - a high category one hazard for Excess Cold.
- Working with Social Services and MenCap, a schedule of works was drafted to send out to tender and a contractor appointed.
- New double glazed windows and doors fitted throughout the premises
- New gas central heating system installed
- Loft access hatch formed and the roof space insulated to 300mm
- Overseen by PSST and enabling him to stay in home

HMOs (Houses of Multiple Occupancy)

- EPCs required for HMOs
- 70 with F and Gs and potential to improve selected
- ‘new condition’ attached to licences requires improvements to improve this rating to be carried out over a period of 18 months (from the date when a new licence is issued with this condition).
- If these improvements are not implemented within the 18 month timescale or a new EPC is not provided to show an improvement in the rating then the Council may refuse to renew any future licences and/ or pursue legal action for failure to comply with licence conditions.
- 37 of the Condition added in one year to HMO licences and 17 are in progress

www.oxford.gov.uk

OXFORD CITY COUNCIL

Case Study: How can HMO licensing improve energy efficiency in a very 'hard to treat' property?

HMO licensing officers visited a property in a conservation area. It was a large building containing eleven individuals aged between 20 and 70+ years of age, in large bedsit rooms.

Initially:

- There was no source of fixed heating in the property and it had no gas supply
- It was fully single glazed with solid walls
- The last EPC scored a G showing it to be a cold, hard to heat home

Oxford City Council served an improvement notice requiring specified improvements. The landlord complied with the notice beyond the minimum requirements and carried out extensive works.

Now:

- Secondary glazing had been installed on all single glazed windows.
- A door at the rear of the property had been refitted with double glazing.
- Loft insulation is 250mm.
- A gas supply was established and full gas central heating was installed.
- A new EPC was carried out scoring it a D, showing a considerable improvement for both tenant comfort and energy efficiency.

www.oxford.gov.uk
OXFORD CITY COUNCIL

www.oxford.gov.uk

OXFORD CITY COUNCIL

Financing and grants:

making it possible for landlords to meet their obligations

Grants: for private rented

Ebico Private Rented Energy Efficiency Grant (PREEG)

Are you a landlord in Oxford with a property rated D, E, F or G on its Energy Performance Certificate?

Then you may be able to get a free survey and 50% discount* off further energy efficiency measures such as:

- Draught proofing
- Loft Insulation
- Radiator foil
- Thermostatic radiator valves
- Pipe and/or hot water tank insulation
- Removal and replacement of high energy lightbulbs with LEDs

(*subject to terms and conditions)

We can also link you in with other funding where it applies

For more information on how to apply please go to our website

www.oxford.gov.uk/preeg

or contact us via email at

PREEG@oxford.gov.uk

THE ebico TRUST

funding provided by

OXFORD CITY COUNCIL

www.oxford.gov.uk

OXFORD CITY COUNCIL

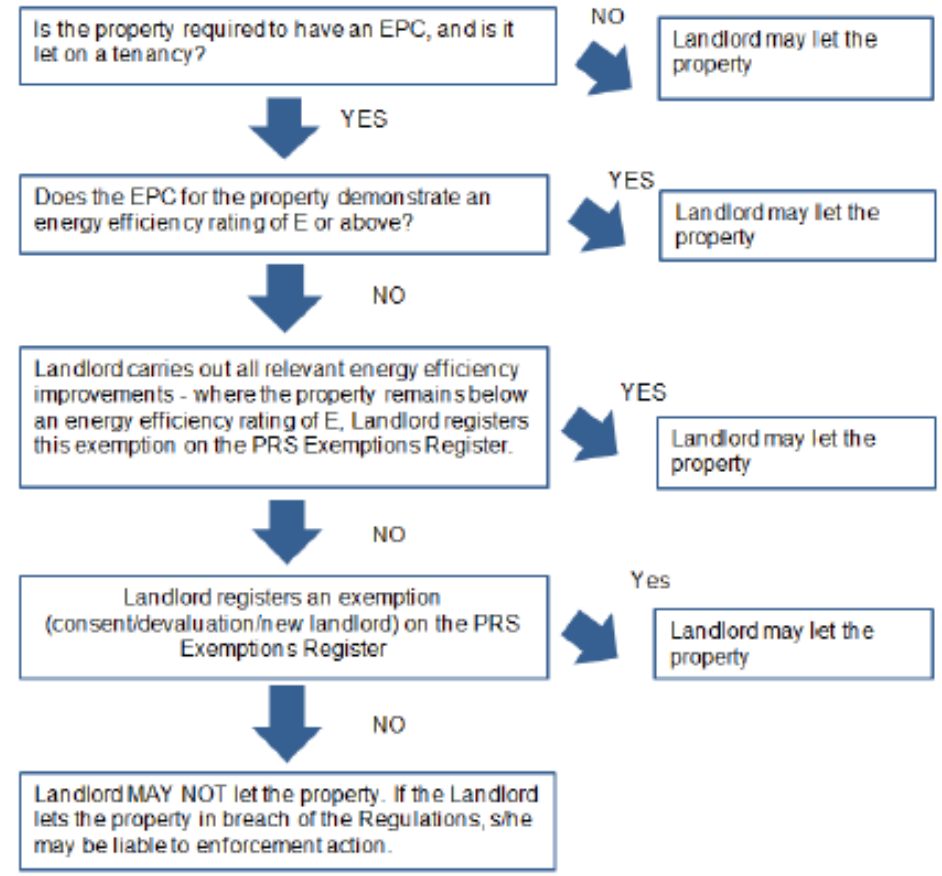
www.oxford.gov.uk

OXFORD CITY COUNCIL

Non domestic/ Commercial properties and the Minimum Energy Efficiency Standards (MEES)

Decision tree

Figure 1: decision tree for minimum level of energy efficiency process



www.oxford.gov.uk

OXFORD CITY COUNCIL

Is an EPC required?

Exempt if can demonstrate building is:

- **officially protected as part of a designated environment or because of their special architectural or historic merit where compliance with certain minimum energy efficiency requirements would unacceptably alter their character or appearance,**
- **used as places of worship and for religious activities,**
- **Temporary with a planned time of use of two years or less,**
- **Industrial sites, workshops, non-residential agricultural buildings with low energy demand and non-residential agricultural buildings which are in use by a sector covered by a national sectoral agreement on energy performance,**
- **stand-alone with a total useful floor area of less than 50m² (i.e. buildings entirely detached from any other building).**
- **it is furnished holiday accommodation as defined by HMRC and the holiday-maker is not responsible for meeting the energy costs.**
- **Under certain circumstances where it may be demonstrated that they are to be demolished. (Further information in Appendix E of the guidance)**

www.oxford.gov.uk
OXFORD CITY COUNCIL

Listed buildings?!

Listed Buildings and EPC Compliance

There is a common misunderstanding relating to listed buildings and whether they are exempt from the requirement to obtain an EPC. Listed properties, and buildings within a conservation area, will *not* necessarily be exempt from the requirement to have a valid EPC and it will be up to the owner of a listed building to understand whether or not their property is required to have an EPC. Where a listed privately rented non-domestic property, or a property within a conservation area, *is* required to have an EPC, that property will be within scope of the minimum energy efficiency standards.

As noted at 1.3.3 above, an EPC is not currently required for a listed property or building within a conservation area when it is sold or rented in so far as compliance with minimum energy performance requirements would unacceptably alter its character or appearance. Examples of energy performance measures which *may* alter character or appearance (or as a minimum are likely to require local authority planning permission to install on a listed building) include external solid wall insulation, replacement glazing, solar panels, or an external wall mounted air source heat pump. Where character or appearance would *not* be altered by compliance with energy performance requirements, an EPC may be legally required.

If an owner or occupier of a listed building is unsure about whether their particular property is or is not required to have an EPC, appropriate advice should be sought at the earliest opportunity.

www.oxford.gov.uk
OXFORD CITY COUNCIL

Is it subject to MEES?

Excludes a tenancy which is:

a)granted for a term certain (the original term or time period granted by a tenancy) not exceeding 6 months (unless the tenancy agreement contains provision for renewing the term or extending it beyond 6 months from its beginning, or, at the time it is granted, the tenant has been in occupation for a continuous period of more than 12 months); or

b)granted for a term certain of 99 years or more.

Needs

•a valid EPC which states that the energy efficiency rating for the property is E or above.

www.oxford.gov.uk
OXFORD CITY COUNCIL

Phasing in

- a) from 1 April 2018, - may not grant a tenancy to new or existing tenants if their property has an EPC rating of band F or G
- b) from 1 April 2023, landlords must not continue letting a non-domestic property which is already let if that property has an EPC rating of band F or G.

unless either:

a. an exemption applies which has been registered on the PRS Exemptions Register; or

b. made all the relevant energy efficiency improvements to the property (or that there are none that can be made) and the property's energy performance indicator is still below an EPC E, and this exception has been registered on the PRS Exemptions Register.

www.oxford.gov.uk
OXFORD CITY COUNCIL

Err so what is a building?!!

“a roofed construction having walls, for which energy is used to condition the indoor climate, and a reference to a building includes a reference to part of a building which has been designed or altered to be used separately”.

Ie roof, wall and use energy to condition the indoor climate.

Services considered to condition the indoor climate are the following fixed services: heating, mechanical ventilation or air-conditioning.” (Full definition in “A guide to energy performance certificates for the construction, sale and let of non-dwellings”)

www.oxford.gov.uk
OXFORD CITY COUNCIL

Oxford City Council – current process

Project team = Domestic Energy lead, Asset teams lead and energy manager from council's own estate.

•Start with full list of non domestic rented assets

1.Checked against the specification of 'building'

2.Pilot EPC survey run with trusted surveyors for costs and process understanding -16 initially

3.Pilot - Checks, evaluation of EPCs and recommendation reports and discussed with surveyor

4.Pilot – request additional modelling of F and Gs against possible improvements to see if a) can reach 'E' b) best options

5.Budget check and allocation of phase 1 and phase 2 surveys against 2018 and 2023 timeframes

6.Procure phase 1 surveys that include additional modelling for F and Gs and clarity on property boundaries/ information required (ie additional 'outhouses' that impact energy score)

www.oxford.gov.uk
OXFORD CITY COUNCIL

Future work - OCC

- Decision on tenancy/landlord responsibilities
- Update of tenancy agreements as renewed to protect initial investment
- Ascertain works required and allocate budget in phase 1 year
- Determine properties to go on exemption register including Listed buildings
- Work out how to apply the ‘seven year payback test’ to potential measures

“..seven year payback test is set out in regulation 28(3) – (8) of the Regulations. Any energy efficiency measure referred to at Appendix C of this guidance (Table 6 of the Building Regulations Approved Document L2B) is only a relevant energy efficiency improvement if it passes the payback test and has been recommended for a non-domestic property in any of the reports referred…”

www.oxford.gov.uk

OXFORD CITY COUNCIL

Where to go for help/ info

- **Private Rented Energy Efficiency Grant**

www.oxford.gov.uk/PREEG

- **Government guidance on when EPC required**

https://www.gov.uk/energy-performance-certificate-commercial-property/exemptions

- **National Landlords Association**

https://www.rla.org.uk/landlord/guides/minimum-energy-efficiency-standards.shtml

https://www.rla.org.uk/landlord/guides/epc-for-listed-buildings.shtml

- **Government response to 22 July 2014 Consultation**

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/401381/Dom_PRS_Energy_Efficiency_Regulations_-_Gov_Response_FINAL__04_02_15_.pdf

- **Government guidance on Non domestic**

https://www.gov.uk/government/publications/the-non-domestic-private-rented-property-minimum-standard-landlord-guidance

- **A guide to energy performance certificates for the construction, sale and let of non-dwellings"**

https://www.gov.uk/government/publications/energy-performance-certificates-for-the-construction-sale-and-let-of-non-dwellings--2

www.oxford.gov.uk

OXFORD CITY COUNCIL

www.oxford.gov.uk

OXFORD CITY COUNCIL

Debbie Haynes

Energy Efficiency Projects Officer

dhaynes@oxford.gov.uk