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**ALEO South East Winter Forum
Wednesday 6th February 2019**

Kindly hosted by Oxford City Council

Attendees

Kelly Greer	ACE
Cath Geoghegan	Arun District Council
Ellen Parker	BEIS
Helene Bartos	BEIS
Hazel Hill	Bracknell Forest Council
Sam Thomas	Cherwell District Council
Carolyn Arnold	Cherwell District Council
Tim Mills	Cherwell District Council
John Caine	Chiltern & South Bucks Council
Amanda Martin	Dover District Council
Adrian Wright	Happy Energy – sponsor
Alan Barnes	Isle of Wight Council
Nigel Bucklow	Maidstone Council
Debbie Haynes	Oxford City Council
Ian Wright	Oxford City Council
Helen Broadhurst	Oxford City Council
Jackie Mogridge	Oxford City Council
Clive Salisbury	Oxford City Council
Matt Kidger	Oxford City Council
Lauren Doggett	Oxford City Council
Sara Malyon	Oxford City Council
William Christian	Oxford City Council
Alex Fleet	Oxford City Council
Miriam Stenning	Oxford City Council
Nathan Kirwan	Oxford City Council
Edna Pedroza Luna	Oxford City Council
Gail Siddall	Oxford City Council
Jeff Mbariti	Oxford City Council
Terri Bonham-Samuels	Oxfordshire County Council – Trading Standards
Andrew Waggott	Portsmouth City Council
Katherine Shadwell	Portsmouth City Council
Verena Boxall	Runnymede Borough Council
Joanne Williams	Runnymede Borough Council
Catriona Reeby	SE ² – secretariat
Rachael Mills	SE ² – secretariat

Cynthia Calvert	South Oxfordshire & Vale of White Horse Council
Mark Rachwal	Spelthorne Council
Deborah Vincent	Test Valley Council
Justin Bailey	Wealden District Council
Evangeline Haggarty	West Berkshire Council
George Lawrence	West Berkshire Council
Phil Measures	West Oxfordshire District Council

Dialling in

Sandra Woodfall	Dartford Borough Council
Helen Cooper	Arun District Council
Gill Daniel	Horsham Council
Matthew Bird	Mid Sussex Council
Lucy Hicks	Tonbridge & Malling Borough Council

Apologies

Lara Beattie	Woking Borough Council
Beatrice Hubert-Price	East Hampshire DC
Emma Slade	Portsmouth City Council
Robert Majoram	Scottish Power - sponsor
Marie Jones	SGN - sponsor

All presentations from the meeting are available to download at https://www.aleo.org.uk/se/meetings/index.php?i=i&event_id=20050704224011

1. Welcome and introductions

- Amanda Martin, ALEO SE Deputy Chair, welcomed members, speakers and colleagues (Hazel Hill, Chair, was delayed due to train difficulties). She thanked Oxford City Council for hosting the meeting, and BEIS, ACE and the sponsors for attending.

2. Government overview - HECA reporting guidance: Ellen Parker, BEIS (see slides)

- The 1995 Home Energy Conservation Act requires all English LAs to report on domestic energy efficiency measures every two years. The next due date is 31st May 2019 (moved from March to avoid the end of March busy-ness and to allow LA officers to use year-end data sets in their return). The reports help to map delivery at a local level and inform national policy thinking.
- HECA Report returns have been in decline: only 46% of LAs submitted a report in 2017. So for 2019 BEIS is piloting a streamlined digital platform which should make the information easier to submit and process. For 2019, this will be via Survey Monkey (which is fully GDPR compliant): BEIS may consider a bespoke reporting tool for 2021 if reporting rates improve and there is sufficient business need.
- The digital platform is already live: <https://www.surveymonkey.co.uk/r/HECA2019>. It is password protected to prevent spam returns. The password is **westminsterabbey** (all lower case).

- BEIS is also using the 2019 pilot to find out what information LAs think is important to submit. A framework is provided for your responses, but they are mainly word-limited free text. The sections are:
 - Overview
 - Communication
 - Green local supply chain
 - PRS MEES
 - Financial support for energy efficiency
 - Fuel poverty
 - Smart metering
- All responses are optional but are highly encouraged. Answers to all questions must be submitted in one go (you cannot save and return): BEIS have circulated a Word version of all the questions to help LAs compile their answers offline first.
- LAs are still required to publish a HECA Report. They can do this however they wish and do not need to include all the information submitted on the online platform.

3. Government overview - MEES and Future Direction of PRS: Helene Bartos, BEIS (see slides)

- MEES came into force in April 2018. It mandates all PRS homes in England and Wales that are required to have an EPC and are let the relevant tenancy type, to be a minimum of an E rating.
- Landlords could previously file a no cost exemption, but this will end on 30th March 2020. The amendment to introduce a landlord contribution capped at £3500 (inc. VAT), is currently with the House of Lords: BEIS would like to see it enforced by April 2019. Since the ALEO meeting a parliamentary slot to debate the cap was set for 26th February 2019. Landlord contributions continue to be blended with third-party funding sources, including local grants, Green Deal finance and ECO, which can be counted within the cap.
- From April 2020, MEES will apply to all tenancies, not just new tenancies.
- BEIS is currently analysing the responses to the EPC Call for Evidence. We need properties to have EPCs so we can enforce MEES. EPC policy is owned by MHCLG but BEIS are working very closely with them. HMOs fall out of EPC requirements and we're also looking at ways of bringing them into scope.

Comment: EPC data is not being updated and this is impacting on local authorities: this is becoming an urgent matter.

- Landlords and tenants should be directed to <https://www.simpleenergyadvice.org.uk/> or call Freephone 0800 444202 for information about improvements that can be made to their homes, pulling in property-specific EPC data.
- [ECO Flex Guidance](#) is out now which includes a template SOI (see also the notes from Adrian Wright's presentation below).
 - It's important to sign, date and provide a version number on your SOI.
 - There's a clear emphasis on targeting vulnerable, low income households who have missed out. If LA's go over the prescribed flexibility thresholds, they'll have to give a reason in the SOI.
 - LAs are required to provide an annual report each April.

For further assistance contact beisecoteam@beis.gov.uk

- 7 PRS enforcement pilots are being carried out by different local authorities, including Oxford City Council, working with Oxfordshire County Council. Each pilot has a different focus with the aim of encouraging innovative thinking to tackle minimum enforcement of MEES.
- BEIS is also working on the domestic PRS EPC C 2030 trajectory. The Clean Growth Strategy includes a commitment to make private sector housing as energy efficient as possible, and there's a statutory requirement to bring all fuel poor homes up to C by 2030. Following stakeholder engagement, BEIS will be issuing a discussion paper in the next few weeks about what the next steps could or should be. It's likely that this will be accompanied by a roadshow of workshops across the country. This will inform a public consultation later this year. The non-domestic PRS trajectory consultation is due out soon.
- The themes of the trajectory work are:
 - Steps of the trajectory
 - Setting cost parameters (it's estimated that 52% of homes won't meet EPC E in the £3.5k price cap – how do we tackle these homes?)
 - Measuring energy efficiency performance
 - Exemptions
 - Enforcement

Further details of these are provided in the presentation slides

Q1: How will landlords know that their no-funding exemption is ending?

A1: BEIS will email all landlords on the exemption register in April 2020 to tell them the £3.5k cap now applies. All will have to reapply for their exemptions.

Q2: How many landlords are on the exemption register?

A2: There are currently over 3,000 exemptions filed on the register.

4. The Warm Arm of the Law: Kelly Greer, ACE (see slides)

- Kelly has been working on PRS fuel poverty since 2008. Their recent report with CAG Consultants looks at the opportunities and barriers to Councils enforcing better standards in the private rented sector.
- The headline is that Councils are not doing enough to enforce minimum energy efficiency standards, but this is unsurprising due to lack of resources, lack of political will, growing responsibilities and significant growth in the PRS tenure (10% in 1999, 20% now).
- Fuel poverty continues to be a major problem, particularly in the PRS, with an estimated 21% of PRS households thought to be in fuel poverty (36% in Wales). PRS has the largest proportion of G and F rated properties compared to other tenures, and 45% of PRS households in F & G rated properties are in fuel poverty.
- A legislative toolbox gives LAs powers to tackle poor standards in the PRS, including: HHSRS, HMO and Selective licensing, Energy Performance of Buildings, MEES etc. An overview of these powers can be found in the [Warm Arm of the Law policy report](#).
- Under MEES it is illegal for landlords to rent out F & G rated properties unless they are exempt, and the trajectory is that MEES will get tougher, so it is important for LAs to get the model right for enforcement while the number of properties is relatively small.
- There are many good case studies showing how Councils can take effective action, e.g. Thurrock and Nottingham. Case studies feature in the [Warm Arm of the Law Toolkit](#).
- ACE's report made recommendations to Government to try to improve the implementation of enforcement powers by councils, the main one being adequate resourcing, and closer

links between HHSRS and MEES. However, there remains a great opportunity for Councils to improve the worst housing in their areas through HHSRS, MEES and EPC Regulations.

Comment BEIS have started a review of HHSRS so there is potential to refine it so that future legislation works better together. Landlords need to be treated as private businesses who receive an income (circa £8000 - £15000 pa per property) so there is an expectation that they must meet better minimum standards.

5. LA Flex Update: Adrian Wright, Happy Energy (see slides)

- Adrian kindly gave an update on the recently released LA Flex guidance. Key points:
 - LA Flex declarations will be only valid for 18 months, or until 31st March 2022, or until the SOI is withdrawn
 - Strong recommendation to combine low income with either high costs or vulnerable to the cold
 - No specific date given to update SOIs
- The recommended criteria for eligibility include:
 - Low income + EPC E, F, G and / or high cost of home heating, and
 - Low income + vulnerable to effects of living in a cold home
- BEIS strongly recommends: A) Separate indicators must be used to establish a Low Income (LI) household. For example, using income thresholds, or other methods of determining income. B) In addition to this a separate indicator must be used to determine a High Cost (HC) household. A and B must be combined in order to meet FP criteria. If these are not combined, it does not meet requirements under Article 17 of the ECO Order.
- LAs will need to control the versions of their SOIs (those withdrawn should still remain publicly available).
- LAs will be able to exercise discretion on where to set household income thresholds, and how to define income. This must be set out in the SOI.
- For further information or to discuss setting up an LA Flex project in your area, contact adrian@happyenergy.co.uk

6. Update from sponsors - MEES and the EPC: Adrian Wright, Happy Energy (see slides)

- Adrian gave an overview about how EPC and RDSAP are calculated:
 - Cost per m² of floor area for heating, hot water, cooling & lighting
 - Varies by region due to degree days
 - Directly affected by cost of fuels
 - Fuel costs and definitions change over time
 - EPC results will change over time
- The fluctuating cost of gas and oil, which have gone up and down again over the last 5 years, will change the EPC rating of a property. The cost of electricity has steadily risen over the same period. There have been other changes to standard U-values (Nov 2017) used in SAP calculations.
- Adrian demonstrated how a solid wall bungalow with on-peak electric heaters could be brought from SAP 6 (EPC G) to SAP 40 (EPC E, i.e. passing MEES) for very little tangible improvement to the building, through changing to Economy 7, HHR ESH in the lounge and some LED bulbs. This is a potential loophole for landlords, although these measures would reduce the theoretical cost to heat the home by a third. A very interesting overview about what to look out for in MEES and the PRS.

7. Minimum Energy Efficiency Standards – Oxford’s approach: Debbie Haynes and Ian Wright, Oxford City Council (see slides)

- 30% of properties in Oxford are privately rented, and their conditions vary considerably. The Council has a strong background in landlord relationship building and good communications. OCC has taken a strong lead on fuel poverty and MEES, and they are committed to reducing “excess cold” in the PRS.
- OCC has been targeting F&G rated properties. Of 55,400 properties in Oxford, 23,891 have EPC certificates, of which 1500 were F or G. The data showed 7% of PRS properties had F or G EPC ratings.
- Oxford City Council has had success in pursuing and fining the worst offenders, making a business case for strong enforcement.
- To date 121 F & G rated PRS properties have been identified and 38 have had a whole house HHSRS. All those assessed had a category 1 hazard for excess cold. 90 other deficiencies were also found including 28 fire risks. Nearly half of inspections found damp and mould deficiencies. Notices have been issued to secure improvements.
- BEIS pilot – this is running from now until Dec 2019, aiming to find Oxford’s PRS to enforce those with no EPC and MEES failures. They will do this via building an algorithm of Council data to map the PRS, and working in partnership (County Council etc). They also aim to agree a way forward for EPCs and commercial MEES enforcement, and Exemption Register checks, along with compliance communication to landlords and agents.

8. Tackling Cold Homes - Panel question and answer session

Q1 What proportion of the fines does Oxford City Council (OCC) get in revenue, to cover their costs?

A1 Ian – the payment rate is fairly good. To date OCC has been the 3rd highest LA recipient of fine payment, receiving around £90,000, which is around 60% of the penalties OCC had submitted. However, it is a long process with notices, tribunal and appeal. The aim is that the fines hurt and act as a deterrent. You need to work with your Finance team and be firm with landlords. OCC do not tend to write the fines off, and when needed they involve the bailiffs. Ian estimated that they have issued around 30 – 40 financial penalties, each at around £8,000, so there is a strong business case and it is worth chasing.

Q2 How often does OCC have to go to court to enforce this?

A2 Ian – they try not to go to court. It can cost circa £1500 to investigate and serve the penalty, to get a fine of circa £8,000. Going to court pushes the cost up.

Q3 Does OCC ever have to step in themselves to do the improvement works needed on a PRS residence?

A3 Ian – OCC issues an improvement notice, but OCC can carry out the works as a default if needed. The cost to do the improvement works goes on as a charge, added to the fine. If the landlord can not afford to pay the fine and / or cost of the improvement works they can be forced to sell the property.

Q4 What do they do about HMOs?

A4 If they are dealing with an HMO and it wasn’t licensed then the first step is to get it registered and licenced, and as part of that they have to meet the HMO requirements.

Comment: Kelly – the [Warm Arm of the Law policy report](#) has a lot of information about how different councils charge different amounts for enforcement (section 4.1.3 - page 68) and different approaches to the Civil penalties regime (Appendix 2 - page 101).

Q5 What kickback have they had from residents or landlords' associations?

A5 Ian – they haven't had any kickback as they have been very clear about a landlord's responsibilities and the requirements.

Debbie – in OCC they already inspect a lot of licence applications, i.e. for HMOs. OCC has made it a condition of the licence that all HMOs must have an EPC.

Comment: Andrew Waggott – Portsmouth City Council has got EPC data and overlaid it onto GIS maps, although it is not currently split by tenure. This was done for them by Southampton University. They plan to use it to target the worst properties.

Q6 Why do the electricity prices always go up (Adrian Wright's presentation), while gas and oil have come down again?

A6 Debbie - There are very high network costs for electricity, as electricity companies have to keep power stations running to meet the peak demand which is around 5 – 7 pm. As electricity charging options change (time of use), the market for tariffs etc is changing along with the potential benefits/ negative impacts.

Q7 If only 46% of councils are reporting on HECA, what happens to the 54%? Is there any penalty from BEIS?

A7 Helen – At present there is no penalty for not reporting but this may change. Good practise is that councils should report. The current lack of enforcement may not continue. At present councils may receive a stern email from BEIS if they fail to report.

Comment: Andrew Waggott – BEIS also don't penalise councils or others who don't enforce EPCs, or don't report on Greenhouse gas emissions (as required).

9. Chair's Update

The minutes of the last meeting – November 2018 – are available on the website. See: [https://aleo.org.uk/downloads/root/regions/se/meetings/ALEO_SE_Autumn_Forum - 141118 - Minutes.pdf](https://aleo.org.uk/downloads/root/regions/se/meetings/ALEO_SE_Autumn_Forum_-_141118_-_Minutes.pdf)

- Hazel provided an update from the National ALEO:
 - John Kolm- Murray is still pursuing the use of redress funding to support LA Flex.
 - There is a National Fuel Poverty Working Group, which ALEO have been invited to join
 - BEIS are looking at possible council tax rebates linking with EPCs.
 - Committee of Fuel Poverty report.
 - OFGEM have issued a call for responses on self-disconnection.
 - It was noted that a number of small energy companies have recently failed, showing the tight margins in the industry.
 - National ALEO is considering applying for charitable status. They are getting professional advice.
 - The National ALEO conference is on Wednesday 22 May in London.
- Report from the Treasurer – there is circa £5,900 in the ALEO SE account, although SE2 have yet to invoice.

Committee roles and secretariat

- Hazel has been the Chair for 2 years, as well as covering since Carol's absence in Sept 2016 so her term is coming to an end. Hazel has decided to step down, and allow this opportunity to be taken up by others. ALEO SE will need to appoint a new Chair at the AGM (5 June).

- Cati is also stepping down as Treasurer.
- **Action: Please can all members consider whether they would like to volunteer for any of the Committee roles – Chair, Vice Chair or Treasurer. Current incumbents can provide a handover.**
- The secretariat contract is also coming to an end. The Committee is currently going out to tender for a new secretariat provider. **Action: Please can all members pass details of potential providers to Hazel.**

10. Round the table update

- Dover – are doing SGN projects (off-gas properties) with first time central heating funding.
- Runnymede – are doing a Cadent and Happy Energy project to provide on mains gas to park homes, and a Council Tax mailout. Greater SE Energy Hub – to focus on corporate property and MEES.
- West Sussex – LEAP provides a home visits service offering ECO and energy tariff switching. Warmer Sussex is an able to pay scheme in partnership with Retrofit-works. They are producing an updated Fuel Poverty strategy for West Sussex. Also doing a Warm Homes funded project with Agility ECO, Portsmouth CC and SGN for first time gas central heating.
- Mid Sussex – Similar to above, they are involved in LEAP, Warmer Sussex, Your Energy Sussex tariff.
- Arun – focus on HECA, MEES, Safe & Warmer Homes grants (inc. disabled facility grant funding).
- Oxford – are also doing a scheme with disabled facility grants – see their home Improvement agency website. Low carbon buildings and PV (zero emission zone in city), heat network potential, Salix (solar car ports), asset management in social housing
- Portsmouth – first time central heating project (SGN), Warmer Homes funding, Agility. Plus commercial PV
- Wealden – Big Energy Network, Warmer Sussex MoU, small PRS project.
- Bracknell Forest – Happy Energy project with Park Homes installing mains gas and 500 new /conversion of boilers, for which Hazel was recently presented Heat Hero's Award by National Energy Action.

11. AOB and next meeting

- Hazel thanked all the speakers and sponsors.
- The next meeting will be held **on 5 June 2019** at Woking Borough Council – TBC.