

# Engaging Private Landlords with Energy Efficiency

A briefing note for coordinators of local authority landlords' forums

Relevant to: England, Scotland, Wales and Northern Ireland

## Introduction

This briefing note has been designed to help coordinators of local authority landlords' forums to navigate the world of energy efficiency and help landlords deliver real energy efficiency improvements, carbon emissions reductions and fuel bill savings for tenants.

The briefing note covers:

- Why local authorities should take action to engage the private rented sector
- Why landlords should improve energy efficiency in their properties
- How to engage landlords in your area with energy efficiency
- Funding available to landlords
- A series of suggested meeting plans for use at landlord forums
- Information designed for landlords for you to signpost your landlords to, or use at forums.

## Energy use and carbon dioxide emissions in the private rented sector

Energy use in UK homes accounts for 27% of the UK's emissions of carbon dioxide, one of the greenhouse gases that are contributing to global warming and climate change.

The private rented sector makes up a significant proportion of the UK's housing stock – from an average of 13% to over 30% in some local authority areas.

Private rented sector homes are the poorest performing in terms of energy efficiency of any of the UK stock.

Providing heating, hot water and lighting in the average private rented property leads to 6.4 tonnes of carbon dioxide emissions each year. Compare this to the national average for all housing of 6.2 tonnes, or the average for local authority stock of just 5.7 tonnes.

## Local authorities and the private rented sector

There are a number of drivers for local authorities in seeking to improve the energy efficiency of all housing and of the private rented sector in particular:

### **Regulatory drivers**

The new set of performance indicators for local government in England includes national indicator 186: per capita reduction in carbon dioxide emissions across the local authority area. The private rented sector makes up 13% of the housing stock nationally so it could account for a similar proportion of emissions in your authority area, even higher if you are an urban authority.

The Housing Health and Safety Rating System, introduced in 2006 to replace the Housing Fitness Standard in England and Wales, identifies risks (hazards) associated with housing. A number of these hazards – excess cold, damp and mould growth and excess heat – have implications for energy efficiency. Excess cold is the most common hazard found in homes in England.

The Home Energy Conservation Act 1995 (HECA) required every local authority with housing responsibilities to report on energy efficiency

measures identified and implemented in their areas<sup>1</sup>.

### Strategic drivers

Local authorities have a duty of wellbeing for their residents. Cold housing is a barrier to quality of life, often leading to educational and health inequalities. Insulation and heating improvements can have much wider social benefits, as well as significant financial benefits for tenants through reduced fuel bills.

If your authority is in an area of high rental demand, the challenge may be particularly acute. The private rented sector may be a much larger component of housing energy use in cities or towns with large student populations, temporary workforces or high rental demand.

### Landlords and energy efficiency

As the need to reduce carbon emissions becomes paramount, and as fuel bills continue to rise for householders, improving the energy efficiency of private rented homes is becoming increasingly important.

### Regulation

Landlords have to comply with some specific pieces of legislation and regulation that relate to energy efficiency:

#### Energy Performance Certificates

The Government is taking steps to address energy efficiency through the introduction of new legislation, in particular Energy Performance Certificates (EPCs).

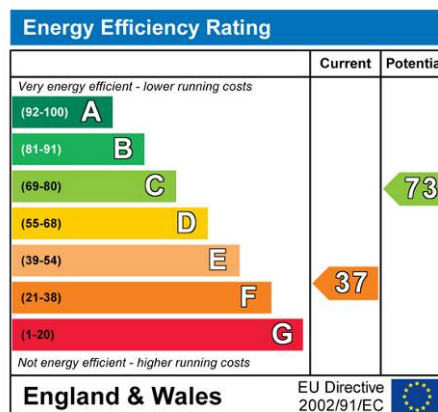
EPCs become a requirement for new tenancies in rented properties in October 2008 in England and Wales and in January 2009 in Scotland and Northern Ireland.

Very similar to the A-G ratings found on washing machines, EPCs will enable prospective tenants to see at a glance how energy efficient and environmentally friendly rented properties are and how much they cost to heat.

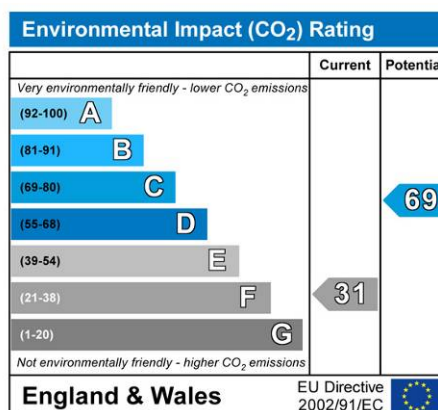
Landlords who have invested in energy saving measures will find that their properties will perform well and will really stand out from the crowd.

<sup>1</sup> HECA is currently under review

Properties that achieve lower ratings might become harder to rent out in future. In a recent survey conducted on behalf of the Energy Efficient Partnership for Homes, 85% of tenants said that Energy Performance Certificates would play some part in their decision when looking at properties to rent and 25% said they would use them to rule out expensive to heat properties.



The energy efficiency rating is a measure of the overall efficiency of a home. The higher the rating the more energy efficient the home is and the lower the fuel bills will be.



The environmental impact rating is a measure of a home's impact on the environment in terms of carbon dioxide (CO<sub>2</sub>) emissions. The higher the rating the less impact it has on the environment.

For further information on Energy Performance Certificates in England and Wales download the Energy Saving Trust's briefing note [here](#)<sup>2</sup>.

EPCs are produced by Domestic Energy Assessors, working all over the country. **Epsom and Ewell Borough Council** and **Preston City**

<sup>2</sup> [www.energysavingtrust.org.uk/uploads/documents/housingbuildings/energy\\_performance\\_certificates\\_eng\\_wales.pdf](http://www.energysavingtrust.org.uk/uploads/documents/housingbuildings/energy_performance_certificates_eng_wales.pdf)

**Council** have organised presentations to their forums about EPCs by local Domestic Energy Assessors.

The Institute of Domestic Energy Assessors can help you to find an assessor in your area who may be interested in giving a presentation to your landlords forum. Visit [www.whatstheidea.net](http://www.whatstheidea.net) to search by local authority area.

**Wirral Council** is exploring options to agree a negotiated rate for Energy Performance Certificates for landlords who are members of their accreditation scheme. Some of the nationwide landlords associations offer a similar discount service to their members.

Talk to local Domestic Energy Assessors about a discount or partnership deal. You could link this to a landlords accreditation scheme or even make the discount available as a rebate when energy efficiency improvements are undertaken.

### **Housing Health and Safety Rating Scheme (HHSRS)**

Every landlord in England and Wales must ensure they have basic insulation and heating in place. Landlords have a legal responsibility to protect their tenants from the risk of ill health caused by cold.

HHSRS is the system that local authorities use to check that homes in their area are safe and healthy. If tenants are found to be at risk of excess cold, under the HHSRS, the local authority can legally order landlords to make the necessary improvements.

For more information on HHSRS download the Energy Saving Trust's briefing note [here](#)<sup>3</sup>

<sup>3</sup> [www.energysavingtrust.org.uk/uploads/documents/housingbuildings/HHSRS\\_bn.pdf](http://www.energysavingtrust.org.uk/uploads/documents/housingbuildings/HHSRS_bn.pdf)

Most forums informed landlords about HHSRS when it was introduced. Why not invite your Environmental Health team to a forum meeting to talk about how HHSRS is being used and the importance of reducing the hazard of excess cold by improving heating and insulation?

### **Why else might landlords improve energy efficiency?**

#### **Going green**

Increasing numbers of landlords – particularly those with larger portfolios – are thinking about the environmental impact of their businesses and how it can be reduced. This might be as part of an overall corporate social responsibility strategy or an environmental plan. Or it might just be a stand-alone initiative from a landlord with a personal interest in green issues.

Local environmental groups – such as Friends of the Earth – may be able to give presentations at your meetings about climate change. You can ask them to talk about carbon dioxide emissions and how to reduce them. They can also provide useful information about the impacts of climate change (eg, properties that are liable to flooding or the impacts of heatwave temperatures in summer).

#### **Meeting professional standards**

Your members have chosen to join a landlords forum or association because it helps build their reputation as professionals. They may have agreed to a set of principles or a code of practice. Maybe energy efficiency is already included in these principles; maybe it's an emerging trend that will be introduced in the future.

#### **Accreditation schemes**

Some of your members may also participate in a more formal accreditation scheme. More and more, we are seeing energy efficiency included as a criteria in these schemes. **Bristol City Council** (West of England Accreditation Scheme) and the **London Borough of Camden** (London Landlords Accreditation Scheme) have both placed energy efficiency standards at the heart of their accreditation schemes.

Your authority may already run a landlords accreditation scheme. If not, neighbouring

authorities or a local university may have a scheme in place. Promoting the scheme to your forum will help to sign up new members, and get their commitment to energy efficiency standards.

The Accreditation Network UK (ANUK) has produced a model accreditation scheme, which includes sample standards for energy efficiency. You can download the model scheme from <http://www.anuk.org.uk/starting/starting.asp>.

### Tenant demand

As energy prices rise, tenants become much more conscious of their bills. Properties which are more energy efficient – and therefore have lower bills – will be more attractive. Energy Performance Certificates will put this information into the hands of tenants.

Tenants are also becoming more environmentally aware and interested in how they can do their bit to reduce carbon dioxide emissions and tackle the challenge of climate change. Landlords who can show that they have taken action to “green” their properties will stand out from the crowd.

Landlords can also help tenants to make a difference: for example, by showing tenants how to use the heating controls properly, landlords can help to cut their bills whilst staying comfortable. Landlords could also encourage tenants to think about which energy supplier they would prefer to use; it only takes a few minutes to switch to a better deal and save money.

This briefing note is accompanied by two energy efficiency checklists for tenants – one for general tenants, one for students. You could encourage your landlords to give a copy of the appropriate checklist to their tenants when they sign their contract to help them save energy on a day to day basis. If your members include letting agents, you could suggest that they give the checklist to tenants viewing properties too.

## Engaging landlords with energy efficiency

### Getting landlords to come along to a local authority landlord forum on energy efficiency

Experience shows that landlords are more motivated by issues around finance and standards than around environmental issues. So you may get a better turn-out for a forum meeting on energy efficiency if you describe it in terms of “getting a better deal”, “getting grants and discounts” or “meeting legal/professional standards” for energy efficiency.

You could also increase the opportunity for partnership working by including housing associations, landlords associations, letting agents and managing agents as part of your landlord forum. Some forums also work with **university accommodation offices** to make sure there is a consistent approach to communications with landlords across a town or city.

Why not team up with local retailers – eg, a DIY store for insulation or an electrical retailer for energy efficient appliances – and see if you can agree discounts or deals for your landlords when they purchase the most energy efficient products?

### What to talk about

Three suggested meeting plans are included at the end of this briefing note, giving you ideas about how to get across the key energy efficiency messages to your members. They are based on the general topics of Energy Performance Certificates, getting the most for your money and energy efficiency and renewable technologies. These meeting plans are aimed at a broad cross section of landlords.

### **Landlords with larger portfolios**

Most landlords own a small number of properties and see renting as a sideline activity to their main job or career. For these landlords, energy efficiency improvements are likely to be made on an opportunistic basis – for example, when a good deal or discount is available or in a gap between tenancies. It's important to make sure you keep these landlords up to date on energy efficiency, as

your information might be the trigger they need to make improvements.

Some landlords – between 5 and 10% - own significantly more properties. These landlords are more likely to be full-time, and to have management organisations or teams of staff working for them. Improving the quality of their properties – eg through redecoration or minor buildings works - should be built into their business plans. You should encourage them to take a strategic approach to improving energy efficiency across their properties.

The **Housing Energy Management Matrix** is a powerful and practical tool for developing an energy efficiency strategy and action plan and for monitoring and reviewing its progress. It has been used by some of the UK's leading social and private landlords.

The matrix identifies seven key action areas for improving energy efficiency:

- Developing an energy efficiency strategy
- Assessing the energy performance of a housing stock
- Delivering affordable warmth
- Energy training for staff
- Energy advice for tenants
- Integration of energy improvements into other building works programmes
- Securing funding for energy efficiency work

For more information download pertinent chapters of [Energy Efficiency: The Guide](#)<sup>4</sup>, which is underpinned by the matrix.

In addition, a workshop approach has been shown to be an effective method of engaging landlords with larger portfolios. A typical workshop would include:

- An overview presentation on energy efficiency, drawing on the types of information provided in this briefing note
- Presentation of a strategic approach of going about improving energy efficiency
- A workshop or discussion session so that landlords can map their progress against the strategic approach, identify gaps and

<sup>4</sup> [www.energysavingtrust.org.uk/housingbuildings/localauthorities/theguide](http://www.energysavingtrust.org.uk/housingbuildings/localauthorities/theguide)

opportunities for improvements and develop a simple action plan

It's also very effective to do some quick calculations for how much energy, carbon dioxide and money landlords can save by making those improvements.

You will need to consider whether you are going to charge landlords for a workshop and, if so, how much. You might find that an energy supplier or local company is willing to sponsor a workshop, helping to cut the costs. For landlords with much larger portfolios (over 100 properties) a dedicated consulting service might be more appropriate.

The Portman Estate (900 properties) and the Crown Estate (1100 properties in London) have both used a consulting service to help them develop energy efficiency strategies, identify goals and targets, spot gaps and opportunities and produce action plans for making improvements.

If your authority offers a private sector improvement grant that is not restricted to capital measures, perhaps some of the funding can be used to offset the cost of a consulting service which is producing a strategy to deliver future improvements.

## Finding funding for energy efficiency

The most common objection made by landlords to improving energy efficiency is about money. The view is that the landlord has to pay for the improvement, whilst the tenant feels the benefit in reduced energy bills.

However, what you can stress is:

- Energy efficiency improvements can increase the asset value of a property. Having a modern, efficient heating system or double glazing, for example, can increase the value of the home.
- Energy efficient properties are more attractive to potential tenants. Landlords can use energy efficiency as a selling point. By making prospective tenants aware of the energy bills and the energy rating on the EPC, landlords can use energy efficiency to their advantage.

- Energy efficiency costs less than you think and there is a lot of help out there to reduce the cost of installing energy efficiency measures.

The following section introduces you to some of the main grant and financial support programmes that landlords can access and provides some suggestions about how you can include funding issues in your forum:

A list of regional coordinators for Eaga can be found at [www.eaga.com/government\\_contracts/network\\_team.htm](http://www.eaga.com/government_contracts/network_team.htm). Why not invite them to present to your landlords about the grants that are available?

### **Energy suppliers**

All of the major gas and electricity suppliers are part of a Government scheme called CERT (the Carbon Emissions Reduction Target). Through this, they offer a range of grants and discounts on energy saving measures. The price of insulation, for example, has tumbled because of this scheme. The scheme is available for all households in England, Wales and Scotland, with additional support available for households on low incomes or an occupant aged over 70.

Contact the Energy Efficiency Team at any of the major energy suppliers. They are very interested to meet landlords and can explain what's on offer. They may also bring information leaflets and low energy lightbulbs to give away.

### **Grants for tenants**

In some cases grants are also available for tenants, especially if they are elderly or are claiming benefits. If landlords have tenants who are elderly or vulnerable, or are on benefits, they may be able to access specific grants from:

- Warm Front – England – [www.warmfront.co.uk](http://www.warmfront.co.uk)
- Warm Deal – Scotland - [www.scotland.gov.uk/Topics/People/OlderPeople/Homeimprovements/Warmdeal](http://www.scotland.gov.uk/Topics/People/OlderPeople/Homeimprovements/Warmdeal)
- Home Energy Efficiency Scheme – Wales – [www.heeswales.co.uk](http://www.heeswales.co.uk)

Eaga (which runs Warm Front and the Home Energy Efficiency Scheme) has a network of regional coordinators, who may be able to give presentations to your association meeting.

**Sheffield City Council** and **Newcastle City Council** have both received presentations from Eaga about Warm Front.

Scottish Gas manages Warm Deal and may be able to give presentations about energy efficiency and the grants available to one of your meetings. You can contact the Warm Deal team on 0800 316 6009.

### **Local authorities**

Most local authorities offer some form of grant support for private sector housing improvement.

This is usually to help improve those houses in the poorest condition. Energy efficiency improvements can be funded using these grants.

The **London Borough of Camden** offers an energy efficiency grant of up to £15,000 for approved measures, as well as an Eco-Grant of up to £3,000 for solar water heating and solar photovoltaic installations.

**Bournemouth Borough Council** has delivered a huge programme of improvements to well over 2000 private rented properties through a combination of energy supplier funding and their own private sector improvement grants.

### **Other grants**

Other grants are available from national government departments, commercial organisations and charities to reduce the costs of energy efficiency. To find out what grants might be available in your area visit the Energy Saving Trust's online grants database [here](#)<sup>5</sup>.

Make sure that your landlords know – and are regularly reminded - what funding is available to them for energy efficiency improvements.

### **Landlords Energy Saving Allowance**

The Landlords Energy Saving Allowance (LESA) offers tax relief to landlords of up to £1500 per

<sup>5</sup> [www.energysavingtrust.org.uk/proxy/view.full/2019/grantsandoffers](http://www.energysavingtrust.org.uk/proxy/view.full/2019/grantsandoffers)

property per annum after the installation of insulation measures. LESA is claimed via the landlord's income tax or corporation tax return.

Landlords can also claim a tax allowance for the installation of certain energy efficient equipment – eg, highly efficient boilers, low energy lighting systems or solar water heating. This is through the **Enhanced Capital Allowance** scheme. A list of eligible technologies is available at [www.eca.gov.uk](http://www.eca.gov.uk). The scheme is mainly aimed at businesses operating larger premises, but some household scale installations will qualify.

It's surprising how few landlords are aware of LESA and Enhanced Capital Allowances. A local accountancy firm may be interested in presenting to your landlords about the different tax incentives that are available.

## Meeting plans for landlord forums

### Meeting Plan A: Energy Performance Certificates

Energy Performance Certificates are coming soon. Use this opportunity to bring your landlords up to date and to encourage them to take action to improve energy efficiency based on their EPCs.

Start with a presentation from a local **Domestic Energy Assessor** – they are the professionals who produce EPCs and can demonstrate:

- What EPCs look like
- What information they contain
- When they have to be provided
- How much they cost
- How landlords can use that information to target energy efficiency improvements
- The role of letting agents
- The types of questions tenants might ask

Make sure you allow plenty of time for questions here – research suggests that whilst landlords know that EPCs are coming, they don't know the details and the implications.

It can also be helpful to provide your members with a hard copy of an EPC so they can see all of the pages in some detail. An Information Sheet on Energy Performance Certificates accompanies this

briefing note and makes a useful introductory handout (see *Resources available for download* at the end of this document).

### Meeting Plan B: Getting the most for your money

Energy efficiency costs less than you think! What better way to get landlords interested in energy efficiency than by pointing out the grants and discounts that make this a great time to invest.

Invite one of the major energy suppliers to give a presentation on the grants and discounts that they have available. All of the major suppliers have an obligation to improve the energy efficiency of homes across Britain and are keen to meet with property owners and offer discounts, particularly on insulation. Extra discounts are available if tenants are aged over 70 or are on low incomes.

The energy suppliers participating in this energy efficiency programme (known as CERT) are:

- British Gas
- EDF Energy
- npower
- Powergen
- Scottish Power
- Scottish and Southern Energy

Start by contacting their Energy Efficiency or CERT Teams.

You can also invite one of the providers of grants for energy efficiency where tenants are on low incomes. Ask Eaga (England and Wales) or Scottish Gas (Scotland) to give a presentation about the funding and support that is available (see *Finding funding and working in partnership* below for contact details).

And if you have time, invite a local accountant along to talk about the Landlords Energy Saving Allowance and Enhanced Capital Allowances. These are simple tax breaks available to landlords for installing insulation and heating systems. See *Finding funding and working in partnership* above for more information).

The energy suppliers and grant providers are likely to bring display stands and plenty of literature. You can also distribute copies of the information sheet on the Landlords Energy Saving Allowance (see *Resources available for download*).

### **Meeting Plan C: Energy Efficiency Measures and Technologies**

Energy Performance Certificates help identify what can be done; grants and tax allowances help to make it more affordable. Many landlords also want to know about the technical measures that are appropriate for their properties.

The EST Energy Advice Centre in your area will have information and presentation materials about a wide range of energy efficiency measures. They can talk about the types of solution that are appropriate for different types of property. Much of the housing in the private rented sector is “hard to treat”, that is, it does not have cavity walls or lend itself to the most cost effective energy efficiency measures. The Advice Centre team can talk to your forum about measures such as solid wall insulation, which are not well known but which can make a huge difference.

If there is not an Energy Advice Centre in your area, why not try a local architect or energy consultant. Alternatively, talk to heating and insulation installers – they will be keen to come and talk to your landlords about the latest products on the market.

You could create a very lively session here, by having plenty of exhibits from local supply chain companies. That will also help your landlords to find answers to their specific questions. You can supplement this face to face contact with resources from the Energy Saving Trust Best Practice Programme –see [www.energysavingtrust.org.uk/housingbuildings/professionals/](http://www.energysavingtrust.org.uk/housingbuildings/professionals/) for a list of publications available for download.

#### **Dealing with difficult questions**

As with any group, some landlords are sceptical about the existence or effects of climate change. In many cases, these same people are actually very concerned about issues of fuel security – that is, they are concerned that we are running out of oil and natural gas and that fuel costs will continue to rise. They are also often concerned about the wastefulness of how energy is generated and used: windows wide open when the heating is on; lights left on when there is no-one in; electrical appliances left on standby.

Try not to let your forum meeting get hijacked by a discussion about science. If you can divert the discussion to issues where people do agree, you can then focus on getting across the information you want. However, you might find the following helpful in addressing some **common misconceptions about climate change**.

#### The climate is always changing anyway

It is true that natural changes in the world's climate have happened in the past – but concentrations of heat-trapping greenhouse gases in our atmosphere are now higher than they have been at any point in the last 800,000 years. Although this may not be new in relation to the history of the planet, it is entirely new in human history.

#### Climate change has no basis in science

Scientists have been thinking about the relationship between emissions of gases and our climate since as early as the 1800s. Much of the pressure on politicians to do something about climate change now actually comes from the majority of scientists who can see serious changes ahead.

#### Human activity doesn't cause climate change

The majority of scientists are convinced that we are affecting the climate by the way that we live. The Hadley Centre is one of the world's foremost modellers of climate change. They recently looked at what the effect of natural changes in temperature would be compared with actual observed changes over the last 150 years. They found a mismatch. But when they added human effects to the natural effects, the match was very close.

#### It's too late to make a difference

There are some changes that have happened already which cannot be reversed. However, by acting now, we can reduce the risk of big changes occurring to our climate and reduce the impacts that we and future generations will experience.

#### There's no point in me taking action

In fact, every reduction in emissions that takes place, no matter where it occurs, makes a difference by not adding to the risk. Also, some countries like the UK are in a great position to give a positive example to the rest of the world.

### Climate change will make life more comfortable in the UK

True, climate change may lead to a warmer climate overall in the UK. But the climate may also be unpredictable and extreme, which will be unpleasant for many people.

### Tackling climate change means making big sacrifices

Tackling climate change is not going to be easy, but it need not damage the economy as a whole. As we shift to new ways of using and creating energy, industry will have to adapt and jobs may change – but more may be created overall. Using less energy can also save companies and households money.

### **Some climate change facts**

#### Big changes in the atmosphere

In just 200 years, the amount of carbon dioxide in the atmosphere – the major gas that causes climate change – has increased by 30 per cent. Concentrations of greenhouse gases are now higher than at any point in the past 800,000 years.

#### Global temperature warming

Over the past century, average near-surface global temperatures have risen by 0.7°C. The UN Environment Programme predicts that global temperature will rise by 1-3.5°C over the next 100 years.

#### Hot decade

The ten warmest years on record have all been since 1990. Six of the ten warmest years on record in the UK were between 1995 and 2004. In Europe, the August 2003 heatwave was probably the hottest for at least 500 years.

#### Big increase in flood victims

The autumn and winter floods in 2000 in the UK were the worst for 270 years in some areas. Flooding on farmland cost the farming industry nearly £500 million.

### **Further information**

Talk to your colleagues across your local authority – particularly those who are involved with energy and environment issues. Around 60% of local authority forums work closely with a landlords

association – many have local or regional coordinators who are happy to help (and who can bring new members to your forum). The major associations are:

- National Federation of Residential Landlords – [www.nfrrl.co.uk](http://www.nfrrl.co.uk)
- National Landlords Association – [www.landlords.org.uk](http://www.landlords.org.uk)
- British Property Federation – [www.bpf.org.uk](http://www.bpf.org.uk)

### **Resources available for download**

The following resources - specifically produced with private landlords in mind - are available for you to download from the Energy Saving Trust website:

- A fact sheet on [Energy Performance Certificates](#)
- A fact sheet on the [Housing Health and Safety Rating System](#)
- A fact sheet on the [Landlords Energy Saving Allowance](#)
- Two energy efficiency checklists for tenants to use when deciding on a property and when they have moved in: [1](#), [2](#).
- A list of useful [contacts](#) in the energy efficiency sector
- A presentation about [energy efficiency](#)
- [General information](#) about energy efficiency which you could publish on your forum website or in your newsletter

**The Energy Saving Trust offers a free enquiries service via our dedicated Practical help team – the team will undertake to answer any query regarding sustainable energy or sustainable road transport within a maximum of three working days.**

At the time of publication and to the best of our knowledge, the information contained in this briefing note was correct. This briefing note was first published in July 2008.

Practical help cannot vouch for any of the organisations involved.

Practical help

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