

# **MEES – Minimum Energy Efficiency Standards**

**LATEST DEVELOPMENTS AND THE  
ROUTE TO COMPLIANCE**

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# Minimum Energy Efficiency Standards



## Timetable.

- April 2018 – New tenancies/renewals to meet minimum 'E' rating.
- August 2018 – Govt announces no more energy company funding for 'F' and 'G' rated PRS properties.
- April 2019 – Minimum £3500 per property to get to the 'E'.
- April 2020 – Many 'No Upfront Cost' exemptions made void!
- April 2020 – Minimum 'E' then applies to all existing tenancies.
- April 2025 – Requirement for a band 'D'.
- April 2030/2032? – requirement for a band 'C'.

# Who's at risk of non-compliance?

Properties that have:

- Uninsulated walls (solid or system built poorest).
- Poor loft insulation/no insulation in roof rooms. (and flat roofs/mansards)
- On peak electric heating/electric boilers or older storage heating.
- Old boilers with poor or few heating controls.
- Single glazed windows (with a large glazed area %)
- 3 - 4 exposed walls/exposed floors
- Period properties



# What's the best way of approaching this?

Easy measures first:

- Any pre-2013 EPC's – Re-do them! **Follow EPC recommendations.**
- LED lightbulbs
- Programmer/timer – Room thermostat – Thermostatic Radiator Valves
- Hot water tank jacket or insulated cylinder (aim for 120mm thickness)

Next steps:

- Cavity wall and loft insulation
- Double/triple glazing (trickle vents/lockable window catches)
- A rated boiler/High heat retention E7 Storage Heaters





# The Cardinal Sin – Number 1 mistake!

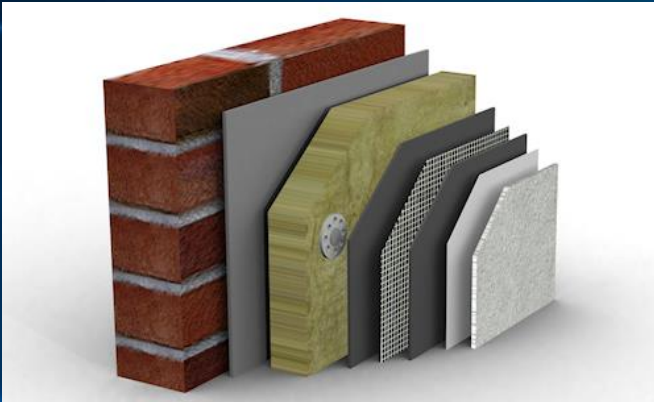
## Do not install any 'On Peak' electric heaters or electric boilers!

- Don't always listen to your electrician –they think 'A' rated means cheap to run!
- Regardless of how clever the controls and thermostats on an electric heater, if it operates on only the 'On Peak' rate the EPC will assume it is expensive, as worst case scenario, the tenant over rides the controls or turns it up to 11!!
- Also although the efficiency of an electric heater is 100% at the point of use, the cost of generation and losses in transmission means it is more expensive than gas!
- If you must have electric heating, stick with a system that works primarily on an 'off peak' rate. You'll need a dual rate meter for this. (Circa £75)
- Dimplex make the Quantum, which gives the biggest improvement, slightly (£60) cheaper but still compliant with EU regs under Lot 20 is the Dimplex XLE range.
- Don't upgrade a heating system with just scraping an 'E' in mind to save a few pounds, think ahead to future regulatory requirements! Or replace again!

# What might be LL's best way of approaching this?

Other measures:

- Room in roof/flat roof insulation (RIR often Non-qualifying)
- External/internal solid wall insulation (single skin extensions)
- Floor insulation!
- Renewables!



# Pro-Active not Reactive! 2<sup>nd</sup> Mistake!

## Take action to improve the rating now, don't wait – why?

- The Government has set out it's stall, it will make sure that there is no funding to help landlords once they need to meet a certain EPC level.
- In conjunction with that, they will raise the expected spend threshold too!
- For all local assistance and funding schemes there needs to be a tenant in the property – it's no good once it's empty!
- Don't wait until a tenants notice has been given or the Council has come knocking on the door!
- Instigating insulation and heating work either through funding or otherwise can take time to organise! Start now if you haven't already!
- **Look at your 'E' rated properties now!**

# MEEES 2018



## Some Exemptions:

- Lower cost improvements have been carried out (under £3500 spent since October 2017 inc VAT and inc any funding).
- If measure devalues property value by more than 5%. (RICS)
- Occupying tenant refuses consent – although don't rely on this!
- Some 3<sup>rd</sup> party consent is refused e.g. freeholder.
- Wall insulation may be refused if written professional opinion given about potential damage to fabric – more likely for EWI, high exposure, porous stone properties. (Installer – pre-installation suitability)
- Conservation areas and listed building status not superseded.



# MEEES 2018

## Some Exemptions:

- In certain cases under involuntary leases, or transfer of a lease with a tenant to a new landlord (default) – 6 months given for compliance.
- Enforced by Local Authorities.
- To be considered for exemption – need to register on the 'PRS Exemptions Register' and provide written evidence.
- Compliance notices followed by penalty notices.
- Cumulative penalties up to £5000
- Further penalties if tenant changes and request is still outstanding.
- Landlord can request a review of the penalty notice. (appeals process)

# Which of my tenants will qualify?

*ECO – Energy Company Obligation (Utility funding)*

General Benefits	Health and Disability Benefits	Armed Services Benefits
Universal Credit Working Tax Credit Child Tax Credit Pension Credit Guarantee Credit Income-related Employment and Support Allowance Income-based Jobseeker's Allowance Income Support	Attendance Allowance Carer's Allowance Constant Attendance Allowance Disability Living Allowance Industrial Injuries Disablement Benefit Personal Independence Payment Severe Disablement Allowance	Armed Forces Independence Payment Constant Attendance Allowance War Pensions Mobility Supplement

**Child Benefit – income below threshold:**

Claimants	1 child	2 children	3 children	4 or more
<b>Single Claimant</b>	18,500	23,000	27,500	32,000
<b>Couple</b>	25,500	30,000	34,500	39,000

# What assistance can we get now?

ECO – Energy Company Obligation (Utility funding).

**Not 'F' and 'G' rated PRS properties**

- Cavity wall insulation 30% – 100% funded
- Loft insulation – 20% - 100% funded (100mm)
- Solid wall insulation – 10% -25% funded
- Room in roof insulation – 0% to 80% (not many bona fide RIR's in sector!)
- Flat roof insulation – up to 100% funding

Funding for electrically heated properties higher than gas heated.

# What assistance is on offer?



*ECO – Energy Company Obligation (Utility funding).*

- Storage heaters – broken – broken controls – below 0.2 responsiveness!
- To obtain funding property must have ECO qualifying cavity wall, solid wall, room in roof or flat roof insulation at the same time!!
- 1 Dimplex Quantum £1200/ 2 = £1800/ 3 = £2700 (ECO funding typically between £800-£1800 depending on property type.
- Remember landlords do not replace old storage heaters with modern on peak electric heating!!

*All funding subject to change and subject to survey.*



# Widening the criteria -Flexible Eligibility – ECO Flex

- Every LA can write it's own list of criteria for use in their area.
- Allows LA's to set priorities – opens up the insulation and heating parts of the funding outside of set benefit recipients.
- Self-certification forms filled in by tenant then submitted to CSE/DCC who have them checked.
- Certificate issued to installer to submit to utility with their funding claim.
- Opens up the funding to more residents.
- 25% of the available utility funding can be used in this way

# Ridgewater Energy - Assistance

- 21 years experience working with over 1000 local landlords.
- Personnel have overseen insulation of over 6500 buildings/16,000 rented dwellings in Dorset.
- Here to assist and advise Landlords, property managers and tenants.
- Insulation, Lighting, and Heating advice.
- Access to grants and funding locally and nationally.
- Phone lines open Monday – Friday 9am – 5pm

# Any questions?



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For rental sector enquiries please contact:

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Please pick up some of our factsheets before you leave

# Dorset Councils Partnership

- What is currently happening in North Dorset, West Dorset and Weymouth and Portland in relation to Minimum Energy Efficiency Standards (MEES) from a Council perspective (as the enforcement authority)?
- Steve March, Senior Environmental Health Officer
- [smarch@dorset.gov.uk](mailto:smarch@dorset.gov.uk)
- Definitive guidance - [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/749021/Domestic Private Rented Landlord Guidance - June 18.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/749021/Domestic_Private_Rented_Landlord_Guidance_-_June_18.pdf)





# MEEES – A difficult start

- Complex legislation has been made more problematic by the phased nature of its implementation – 3 stage implementation, delayed £3,500 cost cap and an array of exemptions.
- Understandable that landlords and agents will find this confusing – supportive ‘enforcement’ approach (initially)
- It’s the future.....?
- We ultimately want properties to be improved, made more energy efficient – that’s the whole point of the legislation
- In a ‘nut shell’ - Prohibition on letting EPC rated F and G rated properties unless a valid exemption is in place.
- Main exemptions are for ‘cost’ and ‘third party permission’ not being available (planning, listed building, mortgage lender, superior landlord etc etc)
- Housing, Health and Safety Rating System (HHSRS - enforcement of minimum housing standards – topic at a previous meeting) still applies to all properties irrespective of their EPC rating.



# What's the local picture?

EPC Bulk Data 2005-2016 (accuracy of data?!)

District	Total no. households (Census)	Total number of EPC's recorded (all tenures)	Total number F and G (all tenures)	Of which recorded rented
North	28,670	18,638	1,795	298 (1.0%)
West	44,386	29,124	3,463	743 (1.7%)
Weymouth and Portland	28,535	18,959	1,197	297 (1.0%)
<b>Total</b>	<b>101,591</b>	<b>66,721</b>	<b>6,455</b>	<b>1,338</b>



# What are we doing?

- Checking letting web sites
- Identify EPC F and G properties? Do they have an exemption?
- Identify properties with no EPC advertised (it is our view that the EPC score should be on the advert to inform the prospective tenant).
- Listed Buildings
- Checking the PRS (MEES) 'Exemption Register' to check that properties have been exempted properly with appropriate evidence/narrative etc.
- Providing advice at this stage and requesting compliance within 28 days. Next step will be enforcement.
- Consider contacting F and G rated properties to check MEES compliance (landlords who do not use a letting agent?) and also apply minimum housing standards to these properties via the Housing Health and Safety Rating System (HHSRS).



# Case Study.....Listed Building

- This is a Council officer opinion; landlords/agents will need to make up their own mind and/or take appropriate legal advice!
- Listed Building advertised for letting without an EPC
- Popular misconception that Listed Buildings are *automatically* exempt from EPC
- What the legislation and guidance actually says.....





# Case Study.....Listed Building – Background

***Guidance issued by the Ministry of Housing, Communities and Local Government (MHCLG) on EPC requirements states:***

*Listed Buildings are exempt from the requirements to have an EPC insofar as compliance with minimum energy performance requirements would unacceptably alter their character or appearance.*

## **How do you know what work is necessary without an EPC?**

To comply with minimum energy efficiency requirements, **some** of the recommendations in an EPC report e.g. double glazing, new doors and windows, external wall insulation, are likely to result in unacceptable alterations.

However, the following works **may** get Listed Building Consent: loft insulation, low energy light fittings, replacement/new boiler, new central heating system, room in roof insulation, new electric heating, some floor insulation, draught proofing, new central heating controls.

**WARNING – EVERY CASE MUST BE JUDGED ON ITS MERITS – GET COMPETENT ADVICE OR YOU MAY COMMIT A CRIMINAL OFFENCE**

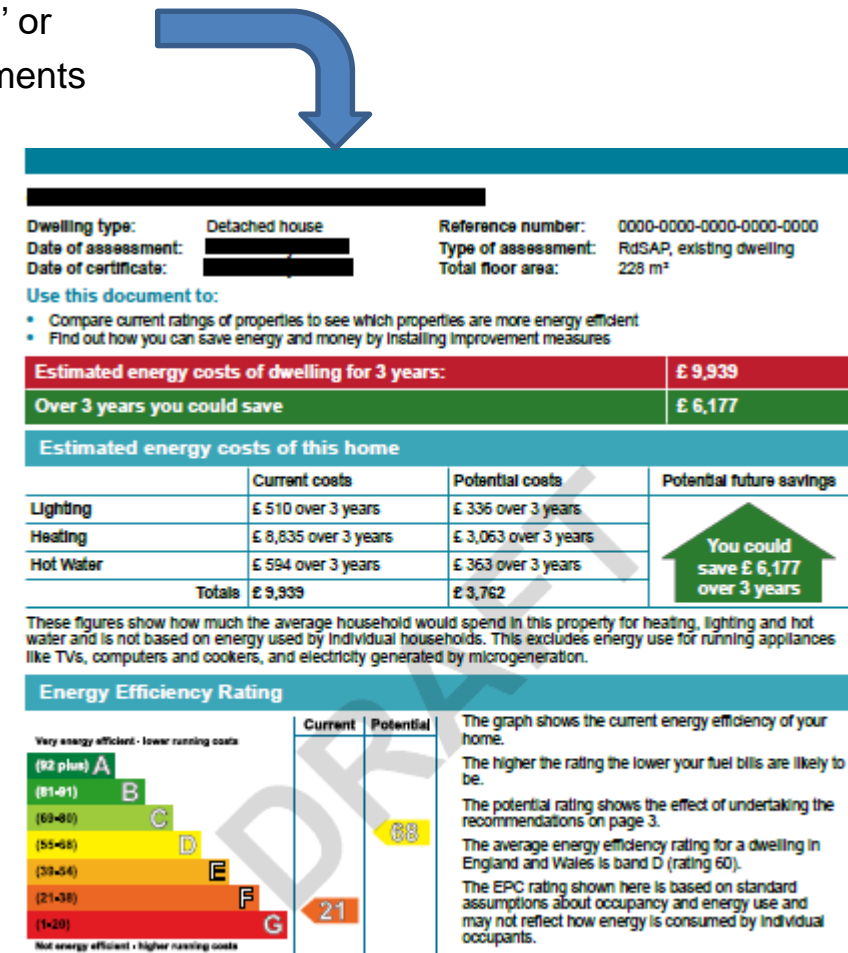


# Case Study.....Listed Building – Review the EPC

Firstly, once the EPC is obtained – check the rating. If its 'E' or above, still look for any possible energy efficiency improvements

If its rated an 'F' or 'G', then review the 'recommended measures' and identify those that will 'lift' the property to at least an E. These are listed with the cumulative effect detailed in the right hand column

Recommended measures	Indicative cost	Typical savings per year	Rating after improvement
Internal or external wall insulation	£4,000 - £14,000	£ 1,183	<b>E45</b>
Floor insulation (solid floor)	£4,000 - £6,000	£ 147	<b>E49</b>
Draught proofing	£80 - £120	£ 98	<b>E51</b>
Low energy lighting for all fixed outlets	£50	£ 49	<b>E52</b>
Heating controls (thermostatic radiator valves)	£350 - £450	£ 87	<b>E54</b>
Replace boiler with new condensing boiler	£2,200 - £3,000	£ 314	<b>D63</b>
Replace single glazed windows with low-E double glazed windows	£3,300 - £6,500	£ 181	<b>D68</b>



## Case Study.....Listed Building Is Listed Building Consent Needed?

- From those recommended energy efficiency measures.....
- Will Listed Building Consent be needed?
- If 'no' – go to the next stage
- If 'yes' - Listed Building Consent is needed; is it likely to be granted?
- If Listed Building Consent is not going to be granted – the landlord can then apply for a 'third party permission exemption', providing appropriate evidence
- If consent is not required or would be obtained – go to the next stage



## Case Study.....(this applies to all properties) Is any grant assistance available?

- The next stage.....(if your property is not listed and its rated F or G – start here).
- Landlord completes any recommended work on the EPC? (with or without listed building consent if needed)
- Is grant assistance available?
- As a minimum landlords should check the availability of grant assistance with 'Healthy Homes Dorset' <https://www.healthyhomedorset.org.uk/>
- Heat Melcombe Regis – first time gas central heating for wards in and around Melcombe Regis, Weymouth - <https://www.heatmelcomberegis.org.uk/>
- If a grant will cover the recommended work – the work item must be completed, either with or without the grant funding
- If no grant available – go to next stage.....!



Case Study.....(this applies to all properties)  
If no grant – register a ‘no cost’ exemption

- If no grant is available, the landlord can still choose to do the work and we would encourage this to happen
- Alternatively if no grant is available (and the recommended measure(s) are not carried out) the landlord must register a ‘no cost’ exemption on the PRS Register at <http://prsregister.beis.gov.uk/>
- To register an exemption you will need – the EPC, provide a narrative demonstrating why no grant is available and preferably some proof of this.
- The Council will check the PRS register to see that properties are exempted correctly and appropriately.





## Case Study.....(this applies to all properties) **NEW** - Changes to cost cap

- All existing 'no cost' exemptions are time limited and are set to end, on the 31 March 2020
- If you let an F or G property and don't have an exemption already, from 1 April 2019 if any recommended measure(s) to lift the property from an 'E' will cost.....
  - **less than £3,500**, they must be performed.
  - **more than £3,500**, landlords may register for a new 'high cost exemption'.
  - To benefit from this 'high cost exemption' indications are the landlord would be required to submit at least three bona fide installer quotes to upload to the exemption register



## Consequences; the bad news.....

- Initial supportive approach to compliance
- Enforcement approach - Compliance Notice followed by Penalty Notice (two stage appeal process, to the Council first, then secondly to a First Tier Tribunal).
- If a penalty is affirmed, fines range from £1,000 to £4,000
- Will the provisions get more stringent in the future?  
Will the minimum rating rise from an E or the cost cap increase from £3,500?



# Questions?

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