

The Rt Hon Kwasi Kwarteng MP  
Minister for Business, Energy and Clean Growth  
Department for Business, Energy and Industrial Strategy  
1 Victoria Street  
London SW1H 0ET

28/07/2020

Dear Minister,

### **Green Homes Grant and the Private Rented Sector**

As Director of Generation Rent, which represents the UK's 13 million private renters, I was pleased to hear the announcement of the £2bn Green Homes Grant scheme in the Chancellor's economic update earlier this month, and that the support would be available to landlords. I would like to request a meeting with you to discuss how you and your colleagues should design this scheme to maximise the benefit to private renters.

This funding is sorely needed by renters who are struggling to heat their homes:

- According to the latest English Housing Survey (EHS) findings, private rented homes are twice as likely as owner-occupied homes to fail the Decent Homes Standard on thermal comfort criteria.
- Nearly one in five (18%) private renters is in fuel poverty and this proportion is likely to rise as a result of the economic shock of coronavirus.
- The EHS estimates that 459,000 private rented homes are not warm enough, out of 1.29m in the private sector as a whole.

Unfortunately, as most tenants pay the energy bills directly, landlords do not have a real incentive to invest in energy efficiency measures. Similarly, it is not easy for tenants to identify improvements, request that they are made, and, if necessary, seek enforcement of minimum energy efficiency standards (MEES) through the local authority.

Another potential barrier to take up of this is the cost cap for MEES which means landlords are not obliged to pay more than £3500 towards energy efficiency measures.

There is therefore a considerable risk that the private rented sector will miss out on this limited opportunity to reduce its carbon footprint.

I would like to urge you and your Department to consider our five-point plan to lift hundreds of thousands of private renters out of fuel poverty and decarbonise a significant proportion of our hardest-to-reach housing stock.

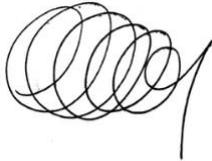
1. Make it as easy as possible for renters to find out about the Green Homes Grant, what improvements are recommended for their home through the existing online Energy Performance Certificate system, and take the initiative in getting the repairs done.
2. Develop a streamlined system aimed at renters which involve getting quotes prepared by accredited installers and taken to the landlord, minimising administration for the landlord.

3. Ensure a proportion of the schemes budget is ringfenced for improvements to private rented properties especially where those properties are occupied by people in or at risk of fuel poverty. EHS figures indicate that 35% of the coldest private sector homes are rented, suggesting that, of the scheme's budget, £700m should go to private rented homes if it is to have a proportionate impact.
4. Ensure the application process records the tenure of the properties that benefit from the grants to allow your Department to assess the impact and success of the scheme on the private rented sector.
5. Temporarily lift the cap for MEES to £8,500. As the landlord is able to receive up to £5000 for improvements, the cap should be lifted to account for the Green Homes Grant and put more pressure on landlords to make improvements.

I should add that tenants would have more incentive to ask for improvements if they had assurance that they could stay in their home for the long term, which they do not currently have due to the existence of Section 21 no-fault evictions. I note that the proposed Renters Reform Bill is intended to address this, and I hope that you will impress upon your colleagues that abolition of Section 21 is a critical step in decarbonising our housing stock.

I would be more than happy to discuss how your Department can make the most of this funding to lift hundreds of thousands of private renters out of fuel poverty and decarbonise a significant proportion of our hardest-to-reach housing stock.

Yours sincerely,

A handwritten signature in black ink, consisting of several overlapping loops and a long, thin tail extending downwards.

**Alicia Kennedy**  
Director