



# Evidence submitted by Chartered Institute of Housing Scotland: 12 September 2019

## **About CIH**

The Chartered Institute of Housing (CIH) is the independent voice for housing and the home of professional standards. Our goal is simple - to provide housing professionals with the advice, support and knowledge they need to be brilliant. CIH is a registered charity and not-for-profit organisation. This means that the money we make is put back into the organisation and funds the activities we carry out to support the housing sector. We have a diverse membership of people who work in both the public and private sectors, in 20 countries on five continents across the world including over 2,000 in Scotland.

Further information is available at: [www.cih.org](http://www.cih.org)

## **CIH contact:**

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## 1. General comments

1.1 CIH Scotland welcomes the opportunity to respond to this consultation on The Energy Efficiency (Private Rented Property) (Scotland) Regulations 2019. If ambitious targets on fuel poverty and climate change are to be met, the energy efficiency of housing across all tenures must be improved. We think that this can be achieved through a combination of regulation, advice and information and financial support and incentives. However, as we have stated in response to previous consultations, it is also essential to ensure that unreasonable costs are not passed on to tenants through rent increases and that there is a robust mechanism in place for enforcing regulations.

## 2. Consultation Questions

### 2.1 Exemptions

**Question 1:** Do you think that the proposed approach to exemptions both within the Regulations (Regulations 11-13) and amplified in the Guidance (Chapter 4) provides you with sufficient clarity on meeting the standard or seeking an exemption to that standard?

- Yes
- No
- Don't know

We agree that there must be exemptions where the costs would be excessive and where the landlord has been unable to secure the required consent from the tenant or other owners where common areas are involved. As far as possible, exemptions should be temporary, requiring landlords to carry out work if, for example, the tenant changes their mind or moves out of the property or if advances in technology mean that improvements can be carried out more cost effectively at a later date. We are pleased to see that temporary exemptions are set out in the regulations and guidance.

Some aspects of the regulations and guidance could be made clearer. The draft regulations state that a consent exemption will only be granted where consent has not been granted despite 'reasonable efforts having been made by the landlord'. Some examples of 'reasonable efforts' in the guidance would be helpful.

It should also be noted that the landlord's intention to refurbish the property can be used as a ground for eviction. When the landlord is notifying the tenant of intention to carry out work to improve the energy efficiency of a home, they should provide information about the work that will be carried out, why it is being carried out (including potential benefits for the tenant



of lower

bills or a more comfortable working environment) and the potential consequences of refusing consent.

## 2.2 Doing the work

**Question 2:** What are your views on the existing mixed nature of support (financial and advice) available to landlords and tenants? Include any additions or changes you think would assist.

We agree that landlords should be supported to make the necessary improvements. This will require proactive communication to make sure landlords are aware of new obligations and timescales, advice and information about different ways to improve energy efficiency and financial support in the form of low-cost loans already available through the Home Energy Scotland Loan Scheme which is mentioned in the draft Guidance.

The draft Guidance only refers to low cost loans and advice available from Home Energy Scotland. It would be helpful if the Guidance specified that there is a range of financial support available and that Home Energy Scotland will provide advice on all of the different options if this is the intention.

**Question 3:** How would the changes you suggest influence the speed with which you would expect improvements to occur?

Communications, advice and information should make clear the long-term targets for energy efficiency and carbon reduction so that landlords can make informed decisions about the work they carry out. It may be cheaper in the long run to invest in a higher level of energy efficiency than to carry out work incrementally as new requirements come into force. This could help to improve energy efficiency ahead of the target deadlines.

## 2.3 Cost cap

**Question 4:** We propose that 6 months in advance of the Regulations coming into force local authorities should take account of expenditure outlay on measures which are intended to meet the standards set. Do you agree that this is a reasonable lead in time period?

- Yes
- No
- Don't know

**If not, what alternative lead in time would you proposed?**



Our

preference would be to allow as much time as possible for landlords to be able to carry out the necessary work within the deadlines set out in the legislation and we agree that six months ahead of the Regulations coming into force seems like a reasonable timescale.

In order to give landlords as much notice as possible the Scottish Government must plan a comprehensive communications campaign to ensure that landlords and tenants are aware of the new regulations, the support that is available to help with energy efficiency measures and the consequences of failing to adhere.

What information would you expect to provide to local authorities to seek an exemption based on the cost cap proposed?

We have received some feedback suggesting that it may be difficult for landlords to receive three quotes for work and that this approach may not be welcomed by tradespeople who may be reluctant to provide quotes if they think it is unlikely to result in a job.

## 2.4 Enforcement and fines

**Question 5:** What are your views on the proposed penalties, in terms of the impact they will have on achieving compliance with the Regulations and ensuring the completion of carry out improvement works across the Private Rented Sector?

As we have stated in previous responses, a financial penalty alone may not be enough to encourage compliance, especially if it is lower than the cost of work to be carried out. We are also concerned that the cost of financial penalties could be passed on to tenants through rent increases which could result in tenants paying more but without the benefit of any energy efficiency improvements.

We have also raised concerns about the resources required to proactively enforce the regulations and how local authorities would manage this without additional funding. It is suggested that enforcement work could be carried out by landlord registration staff. However, in many areas, these teams are already stretched and local authorities would not be permitted to fund any enforcement work through landlord registration fees (as per the EU Services Directive).