

Housing conditions in England inquiry: Call for evidence

Housing, Communities, Local Government Committee

UK100 Submission

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Introduction

This submission is from UK100 which is a network of 117 local authorities and their leaders who have pledged to lead a rapid transition to net zero in their communities ahead of the Government's legal target.

UK100 is the only network of ambitious councils led by all political parties working together to tackle climate change. We help local leaders overcome challenges and turn innovation into solutions that work everywhere. We build the case for the powers needed to make change happen. From cities to villages, we help communities across the UK create thriving places powered by clean energy — with fresh air to breathe, warm homes to live in, and a healthy natural environment.

Question 1: How can local authorities best be supported to take action against rogue landlords operating in the temporary and exempt accommodation sectors?

Local authorities are critical to addressing rogue landlords, but they are currently hindered by a lack of resources and legal powers, particularly in the complex and often opaque temporary and exempt accommodation sectors. To support them, the government has proposed several changes in the Renter's Rights Bill, our members broadly support these changes.

- Provide dedicated, ring-fenced funding: We welcome the provision to allocate funding for local authorities to recruit and train enforcement officers who specialise in this sector. This funding should be multi-year, needs based and recognising the persistent nature of the problem.
- Strengthened legal powers: We welcome the enhanced legal powers in the Renters' Rights Bill that give local authorities clearer and stronger abilities to inspect properties which will allow them to enforce the new reforms, including powers to require information from relevant persons and any persons and powers of entry to business and residential premises.

- Improve data sharing and collaboration: We welcome the measures in the Renters' Rights Bill to establish a database for local authorities to share information and intelligence on rogue landlords with each other and with other relevant bodies. Local authorities have often struggled to identify who owns and manages rental properties in their areas. This makes it incredibly difficult to proactively enforce regulations and respond to tenant complaints.

However we have some reservations about the bill:

- Clarify regulations and guidance: The government must provide clear and unambiguous guidance to local authorities on the specific regulations and standards that apply to the temporary and exempt accommodation sectors, which can be complex and difficult to navigate. This would help to streamline enforcement and reduce legal challenges.
- Increased fines and penalties: We welcome the increase in fines and penalties and the powers given to local authorities to enforce them. However, we do take issue with Schedule 2ZA, paragraphs 12 and 13 of the Renters' Rights Bill. This section relates to the proceeds of enforcement. The bill only allows local authorities to use funds to pay for enforcement costs, and must surrender any remaining proceeds to the Secretary of State. This is contrary to similar enforcement legislation such as those governing fly-tipping or traffic offences. Local authority housing departments are under considerable financial pressure, local authorities should be able to keep all of the funds raised from enforcement of the rogue landlords, this would improve housing across their areas.

More broadly amidst persistently high energy bills and the national ambition to raise minimum EPC ratings to "C" by 2030, we believe many councils lack the tools, resources, and authority to enforce standards, resulting in widespread non-compliance and worsening fuel poverty. It is important that the government's ambitions to improve the private rented sector through the Renter's Rights Bill, deliver the Warm Homes plan and net zero ambitions all align and that the right mix of powers and funding are implemented, and not lost, through the complexity of devolution and local government reorganisation.

Question 2: What is the general condition of homes in England and how prevalent are housing hazards such as damp and mould?

Many houses in England are in serious need of repair, particularly in the private rental sector - 1 in 2 renters experience damp and mould. This problem is compounded by the poor energy efficiency of the houses - 55% privately-rented homes have an EPC of D or below, with about 239,000 homes having an EPC of F or G. These homes are in poor condition and expensive to keep warm. Renters are spending half of their income on renting and heating poor quality homes¹. This monthly wealth transfer to landlords and energy companies places the financial burden of energy inefficiency on the poorest in society, whilst failing to

¹<https://www.citizensadvice.org.uk/about-us/media-centre/press-releases/almost-half-of-private-renters-live-in-homes-with-cold-damp-or-%20mould/>

remedy the problem. Coupled with rising housing demand, we have created a vicious cycle of people paying higher and higher prices for worse and worse housing. The current policy settings are reflected in the fuel poverty statistics, while a problem for all housing types, the private rented sector is the worst affected with one in four private renters living in fuel poverty (24.1 per cent) compared with 17.3 per cent of social tenants and 8.8 per cent of owner-occupiers². In the rebadged ECO+ scheme now known as the Great British Insulation Scheme, just 14% of grants have gone to homes in the private sector since 2013, with the scheme overwhelmingly being taken up by owner occupiers³. Houses in the private rental market, through government and market failures, are in urgent need of repair.

In addition, UK100 members strongly oppose the current EPC regime, which estimates energy use to create a rating, rather than actual energy used. UK100 responded to the EPC consultation⁴, and would strongly suggest new EPC's measures on how much energy is used rather than estimates. These estimates can vary widely and are difficult for tenants to assess, leaving many renters unaware how bad their house is at retaining heat.

What impact will the introduction of the Decent Homes Standard have on landlords in the private rented sector?

It's estimated it will cost an average £9,266⁵ to get a home up to an EPC rating of C, which is half of the total average yearly rental income⁶. The reforms will affect landlords differently on a regional basis, in the North East, where rental yields are low, landlords may have significant financial barriers to improve their stock. There is significant diversity amongst landlords ranging from accidental landlords to those owning many Houses in Multiple Occupation (HMOs). Their approach to property ownership also varies, from treating it purely as a business to "mum and dad" landlords with a single investment property. While there will be some cases of landlords in difficult financial circumstances, this is not representative of the majority of properties in the UK. Landlords bring in more than £50 billion in rental income each year, with yields in London as high as 7%. It is not uncommon for flats in London that would not meet the Decent Homes Standard to fetch £4,000 in rent per month. It's estimated one in five private rentals do not meet the Decent Homes Standard.⁷ The cost of property, particularly in the major cities, is on the value of the land, not the building itself. Whilst the many landlords may only own one property, they are representative of the number of tenancies. 45% of landlords own one property but make up just 21% of the tenancies. The majority own multiple properties, with 17% having significant

²<https://www.gov.uk/government/news/warm-homes-and-cheaper-bills-as-government-accelerates-plan-for-change>

³<https://www.generationrent.org/wp-content/uploads/2023/08/Energy-Efficiency-in-the-Private-Rented-Sector.pdf>

⁴ <https://www.uk100.org/publications/uk100s-response-epc-reform-consultation>

⁵<https://www.gov.uk/government/statistics/english-housing-survey-2022-to-2023-housing-quality-and-condition/english-housing-survey-2022-to-2023-housing-quality-and-condition>

⁶<https://www.gov.uk/government/statistics/property-rental-income-statistics/property-rental-income-statistics-2024>

⁷<https://www.gov.uk/government/statistics/english-housing-survey-2022-to-2023-housing-quality-and-condition/english-housing-survey-2022-to-2023-housing-quality-and-condition>

portfolios of five or more properties, with this group owning 49% of all tenancies.⁸. With significant portfolios, the majority of the tenancy owners would have access to capital that would allow them to make repairs to meet the standard. Local authorities can support landlords by creating private rental strategies to identify the type of housing and landlords they have in their area. This will help understand the landlords' business models and common issues in the area. This allows councils to implement interventionist strategies, either by collaborating with these landlords and letting agents to find suitable solutions that do not adversely affect tenants, or by disrupting their activities to encourage them to leave the sector.

Question 3: How can the Government ensure that new-build homes are as high-quality as possible?

UK100 responded to the consultation to Future Homes Standard in 2024⁹. Our response goes into more detail, but in summary the government can ensure new homes are built to a high quality through the introduction of the Future Homes Standard with a zero carbon building standard at its core for all homes, with strong fabric efficiency standards and energy performance metrics that are fit for purpose.

The government is considering two options for the FHS - option 1 includes solar panels, wastewater heat recovery systems, mechanical ventilation, and better airtightness, while Option 2 uses basic ventilation fans and has slightly lower airtightness standards. We strongly recommend introducing option 1 over option 2, however, we still have concerns about option 1. Homes should be measured on their Energy Use Intensity (EUI) not their Primary Energy i.e. Homes should be measured by how they actually perform, not how they are estimated to perform. Option 1 does not yet meet this criteria. Recent statements from [Ministers have been positive](#), but we still have no firm date for the new FHS.

In addition, the government should reverse the restrictions introduced in the December 2025 Written Ministerial Statement - 'Planning – Local Energy Efficiency Standards Update - that prevent local authorities from introducing net zero building standards that exceed national standards. This hobbles local ambition and causes delay in implementing local plans, while we understand this is still an issue subject to the courts the quicker this issue is resolved, alongside a robust FHS, which ensures the energy efficiency of new homes and avoids the need for future retrofit the better..

Instead, the government should move on from the WMS and empower local authorities to exceed national building standards, as they have successfully used their planning powers to drive higher environmental standards through Target Emission Rate (TER) and Energy Performance (EP) standards. Local authorities' leadership in setting ambitious standards has

⁸<https://www.gov.uk/government/statistics/english-private-landlord-survey-2024-main-report/english-private-landlord-survey-2024-main-report#profile-of-private-landlords>

⁹<https://www.uk100.org/publications/uk100-response-future-homes-and-buildings-standards-consultation>

been crucial for advancing sustainable construction, and this local flexibility should be restored while ensuring implementation remains clear and workable for developers.

This approach would create a framework where national standards provide a baseline while allowing local innovation to drive even higher quality outcomes.

Question 4: What will the impact of Awaab's Law be on social housing providers, and will this affect social and affordable housing supply?

Awaab's law is an important step forward in housing standards, and if interpreted and implemented holistically should induce demand for retrofitting social housing properties for local authorities. This is a welcomed and much needed step, but will have budget consequences. In order to avoid delays to properties being retrofitted to remove damp and mould it is crucial that the government reconsider how the Warm Homes Social Housing Grant is administered, as it brings forward its full Warm Homes plan this Autumn, learning the lessons of current funding and implementation.

We recently organised a roundtable with our members and have identified several ways the government can improve the scheme, so that funding is delivered faster, and more funds are spent improving damp and mouldy houses. They are:

1. **Increase the grant size and introduce higher proportion up-front payments.** The vast majority of our members are receiving grant amounts from the Warm Home Social Grant that are barely enough to retrofit a handful of homes, with thousands on the waiting list. Front-loading the grants would also improve strategic planning and work stream development.
2. **Simplify the oversight, fraud management and Delivery Assurance Checks (DACs).** Our members have said the process is too complex and time-consuming, DESNZ should review the system with a view to reduce the administrative burden on local authorities.
3. **Allow greater flexibility in how funds can be used.** The new schemes are still prescriptive and do not allow local authorities flexibility to advance retrofit and fuel poverty reduction initiatives in a place-based way. This could enable local authorities to retrofit community housing where the building scores higher EPC ratings but individual units are substandard or let councils allocate funds to community energy groups and local organisations for retrofit and fuel bill reduction advice.
4. **Establish a Warm Homes Plan delivery partner group made up of local authorities and delivery partners** to provide ongoing practical feedback on the design and implementation of the retrofit programmes directly to DESNZ. There is no group set up for local authorities to provide real-time specific retrofit feedback, current forums like the Net Zero Delivery Council and Local Government Delivery Group are too strategic and distant, failing to meet the needs of those on the frontline. This could be incorporated through local authority representation on the Retrofit System Reform Advisory Panel or something bespoke.
5. **Re-evaluate the costs associated with PAS (Publicly Available Specification) compliance.** Either by increasing the funding allocation specifically for these costs or by exploring ways

to make compliance more cost-effective. These costs are significantly eroding the available funding, thereby reducing the budget allocated for actual retrofit delivery.

Thank you for considering our response. UK100 would welcome the opportunity to appear before the committee directly or one of our leading local authorities. As a network of over 110 local authorities dedicated to improving housing standards across the country, we are able to provide an overview of the common issues in the sector, and how the housing crisis intersects with the climate crisis.