



Northern Ireland
Assembly

Committee for Communities

OFFICIAL REPORT (Hansard)

Private Tenancies Bill: National Energy
Action

16 November 2021

We recognise that the private rented sector plays a key role in meeting housing need in Northern Ireland. Unfortunately, however, it is our experience that a significant proportion of private rented sector properties can be considered non-decent. By that, we mean properties that have a poor standard of insulation or low energy efficiency, or that they have inadequate home heating systems.

Households in the private rented sector have little or no agency over their payment type or heating type, or which, if any, energy efficiency measures they have in place. That means that tenants are often exposed to higher energy costs and to the greater risks associated with living with fuel poverty. In the most recent house condition survey, which was in 2016, 26% of households in the private rented sector were found to be in fuel poverty. We believe that, with the current price rises, that is probably an underestimate. If anything, the figure is probably significantly higher now.

A number of schemes are in place in Northern Ireland to improve energy efficiency. Unfortunately, however, there has been a low penetration of interventions in the private rented sector. That is due, in part, to low engagement historically with landlords. It is also because of the design of the policies in those schemes. Often, they provide a split incentive whereby landlords are required to match fund measures without any legislative requirements in place to drive landlords to pursue them.

NEA strongly welcomes the Private Tenancies Bill as the first in a series of legislative reforms to improve standards, energy efficiency and affordability for households. We especially welcome clause 9, but we believe that it could, perhaps, go further by seeking to establish minimum energy efficiency standards in the private rented sector as a matter of priority. We believe that doing so has the potential to help to lift households out of fuel poverty and, in so doing, save lives.

In our opinion, there is a pressing need to improve housing quality in the sector. Under the current fitness standards, the stipulation for adequate provision of heating can, in practice, be satisfied by the presence of an electric socket into which a tenant can plug an electric heater. We have experienced those circumstances at first hand when supporting fuel-poor families, so we can attest to the hardship that that can bring.

We believe that minimum energy efficiency standards are the best and most effective way to ensure progress in this area. We believe that an energy performance certificate (EPC) rating of band C for properties in the private rented sector should be the considered target. That would align us with the fuel poverty targets that have been established in England and Wales, and it is likely, following a consultation process last year, soon to be the adopted standard for the private rented sector in England.

We know that energy efficiency improvements offer a tried-and-tested, cost-effective approach to reducing households' energy consumption. Furthermore, we know that improvements in domestic energy efficiency will be essential if Northern Ireland is to decarbonise the domestic sector effectively in its efforts to reach net zero emissions targets.

Analysis by the Northern Ireland Housing Executive, in its role as the home energy conservation authority, found that the mean cost required to raise the energy efficiency of dwellings in Northern Ireland to at least band C would be around £6,200 per dwelling. Whilst recognising that this is not an insignificant figure, we believe that it should not be considered prohibitive. There would be scope to legislate for exemptions or a cost cap on the amount required for home improvements.

We would like to make a few comments on clause 10 and electrical safety standard regulations. Campaigners for electrical safety tell us that, just like gas safety regulations, electrical installations and appliances should be checked by a competent person every five years. That seems prudent and should not be considered a prohibitive cost on landlords. During 2019, 58% of accidental fires in homes were caused by an electrical source: products including dishwashers, cookers and fridge-freezers. In the private rented sector, those appliances are, in the main, provided by landlords.

The issue of damp and mould growth in the private rented sector deserves consideration. Damp and mould growth affects many households in Northern Ireland but, unfortunately, it is difficult to obtain recent data on the estimated number of homes affected, given that condensation alone does not constitute a form of unfitness. Many factors contribute to condensation, including inefficient heating and insulation or issues with the fabric of the dwelling itself. Under the current fitness legislation, environmental health departments are unable to serve notice on a landlord if damp is determined to be a cause of condensation. As a result, many cases of condensation are deemed behavioural, and there is no possibility of further recourse for the tenant. In the worst cases, walls are badly affected by mould

growth, causing householders to continuously breathe in harmful spores, which can aggravate a number of respiratory conditions.

Those are our comments. I thank the Committee for the opportunity to present them. We welcome any questions from members.

The Chairperson (Ms P Bradley): Thanks very much, Jamie. What you said about excess winter deaths because of poor heating in homes is very much worth putting on the record. Paul Frew brought that up at our party meeting with you last week. In this day and age, it is pretty sad to see people dying because they cannot heat their home or because their home is poorly insulated. The cost of heating those homes is also a factor.

You spoke about damp and mould. As MLAs, we know that the vast majority of Housing Executive stock is covered in damp and mould, which we are constantly told is condensation. A big job of work needs to be done, not only in the private rented sector but in the social sector. I do not know how we work that into the Bill, but, if we can work the whole damp and mould issue into the legislation, that would be great.

There is also the issue of minimum standards. That vexes me greatly. I hear about minimum standards all the time, whether for new builds or retrofits. Surely, we should be doing the very best, and "minimum standard" is not good enough. Will you go into a bit more detail about how we can address that issue?

You said that the Bill could go further to bring forward targets for minimum energy efficiency standards in the private rented sector. Will you go into a bit more detail on that as well, Jamie?

Mr Miller: Certainly. I will start with the last point, which was on minimum energy efficiency standards. As I said, the standards in England and Wales were consulted on last year. Within that, the policy outlined is to implement band C within the private rented sector. As part of that, a number of schemes would be rolled out to support landlords in achieving band C. There is also a legislative process around exemptions. If the cost is prohibitive, a £3,500 cap is proposed, which might be upgraded to a £5,000 cap. If it costs a landlord more than that, they would be exempt from having to meet the standards. It is reviewed every three years to encourage continual improvement in the sector.

The Chairperson (Ms P Bradley): What does band C look like? What does band C mean?

Mr Miller: Fewer than 50% of Northern Ireland households are band C. It is quite complex. As with everything, as more technology comes out, the bands tend to shift, similar to the way in which bands on electrical appliances have shifted over time. Band C properties probably have a reasonable standard of loft and cavity wall insulation, a functioning and reasonable boiler and an energy-efficient home heating system. Pat, do you want to come in on the damp and mould aspect?

Ms Austin: Yes. Paula, you are absolutely right. It is very easy to say that the existence of mould and condensation in homes is a behavioural issue, but, as technology has developed, we have realised that it is not. In some properties, there is a high level of poor cavity wall insulation. That is worse than having no cavity wall insulation, because it can be breached, and the property can start to develop problems with damp and mould. There needs to be an energy efficiency strategy for Northern Ireland. A lot of those issues are happening in the Northern Ireland Housing Executive. The Housing Executive has also done some good work in scoping out some of those issues, but there needs to be progress in getting action. There is no point in doing report upon report, unless we can get some money in and get remedial action done. If cavity wall insulation is failing and causing damp and mould, that is certainly a public health issue. There absolutely needs to be action in and around that.

The Chairperson (Ms P Bradley): The problem is that, here in the Northern Ireland Assembly, we are awfully good at doing reports. We have reports on everything. Sometimes, we have four or five reports on the same thing, but action needs to be taken. That is grand.

Ms Austin: Absolutely. The Housing Executive, in its role as the home energy conservation authority, has done some good work in starting that process of asking, "How much that will cost?", but the industry needs to gear up as well. For quite some time, industry representatives have been lobbying for the extraction of cavity wall insulation. In Northern Ireland, where we have a high prevalence of wet weather, it is not the case now that every cavity wall should be filled. The industry needs to be improved, and there needs to be that one-stop shop for householders who want to do that, even off

their own back. A lot of people have said that they want to get their insulation tested. We do not yet have the infrastructure to do that, and that needs to be progressed, which we believe will happen through the energy strategy. As I keep saying, these are warm words; we need action.

The Chairperson (Ms P Bradley): Thank you for that, Pat. I will open up to members' questions.

Ms Armstrong: Thank you very much, Jamie and Pat. It is good to speak to you again, Jamie. I want to go back to clause 9 and energy efficiency, which you talked about. You happened to mention split payments, whereby landlords would have to match fund. Do you have any evidence of how that has worked elsewhere across the islands?

Mr Miller: Yes. In Northern Ireland, particularly in programmes like the Northern Ireland sustainable energy programme, landlords need to meet 50% of costs, and uptake has been low. Match funding still exists in the schemes in England. Two new schemes are about to be rolled out there. The green homes grant scheme and the home upgrade grant scheme are coming next year, but, in the existing version of the home upgrade grant, landlords are liable for a third of the cost. The difference is that there is a legislative emphasis on the fuel poverty targets in England. There is a carrot and a stick to encourage landlords to take up the measures. In Northern Ireland, we do not have anything to push or nudge landlords into looking into the schemes. Better progress has been made across the water.

Ms Armstrong: I am thinking about the minimum energy efficiency standards. You talked about a potential cost of £6,200 per property. If we expect landlords to pay even 50% of that, could that take them out of the market?

Mr Miller: Possibly. It is not my area of expertise, so I do not want to comment on it too much. There is a possibility for innovative approaches to that. We have seen concepts like green mortgages being considered in England and Wales. There may be options for green loans or green grants to help landlords to do that. Our understanding is that, if the energy efficiency of the home is being improved, the standard and quality of the property are being improved, so, hopefully, the value of the property will go up as a result.

Ms Armstrong: In relation to clause 10, you talked about the need for a competent person to do checks every five years. We have heard that from so many people that I am, I think, coming on board with that. What is your understanding of a competent person? Do you have in mind a qualification that the person should have?

Mr Miller: I am afraid that I do not. I am not an electrician. It should be handled similarly to how gas testing is handled, in that there would be some form of register of safe engineers who are qualified. That is what we would like to see. We know that a similar system has been established in Scotland and have been told that that system is effective and is doing its job well.

Ms Armstrong: The Chair asked you what band C is. I was glad that she asked, because I was going to ask that. You mentioned the energy strategy, Pat. Do you see a very clear outcome from the energy strategy that the energy efficiency level should be band C?

Ms Austin: Yes. There was clear signalling that there will be an energy efficiency programme for Northern Ireland. I am hopeful that that will be in place. Potentially, there will then be further consultations on what those actions are, what we scope out and what we can do.

Energy efficiency is what we call the "first fuel". The cheapest strain of energy is the one that you do not have to use, not the one that you cannot afford to use. That really needs to be front and centre of any energy strategy for Northern Ireland plc. In particular, our campaign call is that "The worst get first", which means that fuel-poor households should be the first to get help.

Ms Armstrong: The Chair mentioned damp. Damp plagues many houses across Northern Ireland. Just to keep us abreast of this, will you tell us whether you are aware of the energy strategy having a specific target for dealing with damp in homes or premises across Northern Ireland?

Ms Austin: I am not. I hope that we start to see what that strategy looks like so that we can start getting action plans out now, especially in light of the fact that it is holding up the fuel poverty strategy. Perhaps the roll-out of an energy efficiency programme for Northern Ireland would help us to address any of those issues. We have what we call the HIVE system: heat, insulation, ventilation or extraction.

Damp is probably caused by one of those four issues, and we try to unpick that. If we get a better awareness in industry, our organisations and the one-stop shop, we should be able to identify those issues much better than we do currently.

Ms Armstrong: Finally, I will ask you to clarify something. If we have energy efficiency regulations that take us up to band C, as well as electrical safety standards, do you believe that those two measures will deal with the damp issue, or will landlords be throwing good money after bad? Will we still have that issue? I suppose that it is down to the level. Is band C enough?

Ms Austin: *[Inaudible owing to poor sound quality.]*

Mr Miller: I will take this one. That is a hard one to answer, Kellie. All things to do with energy efficiency are specific to each property and home. As Pat said, we know how damp is usually caused by referring to the HIVE model: heat, insulation, ventilation and extraction. Two of those things can be directly attributed to the energy efficiency and warmth of a home. We therefore believe that improving the EPC rating to band C should help a significant number of properties with damp, but it would be inaccurate to say that it will help every property, because damp is situational.

Ms Armstrong: Thank you very much. That was really helpful. Thank you, Jamie and Pat.

Ms Austin: Thank you.

Mr Frew: Thank you very much for your presentation. You say that 58% of all accidental fires in the home are caused by an electrical source: products including dishwashers, cookers and fridge-freezers. I have highlighted that every week while we have been taking evidence on this. Do you know what the cause of the remaining percentage is?

Mr Miller: No, sorry.

Mr Frew: Within that 58% of accidental fires, dishwashers, cookers and fridge-freezers are things that you plug in or hardwire in. I have been going down the line of assessing whether we need more rigorous electrical installation testing or portable appliance testing (PAT). You cited white goods. What about smaller portable devices, such as hair straighteners, hairdryers and small portable electrical heaters? What evidence do you have on those? Would you suggest that PAT become part of the regime? If so, would there not also be an onus on tenants?

Mr Miller: I am sorry, Paul. We do not have significant evidence on that. It is not our area of expertise. I suppose that my answer is perhaps. I am afraid that I am not really *[Inaudible owing to poor sound quality.]*

Mr Frew: OK.

Ms Austin: Paul, if you do not mind, I will add that I do not know anybody in the owner-occupier sector who uses PAT. That is not at all to say that that should not happen. It is an interesting area to look at.

Obviously, we have PAT in the workplace. I am not sure. Is it every year? I know that it does not happen in the owner-occupier sector. Knowing the struggles that individual households are having, I cannot see them affording that. I am not sure how much it would cost to have an engineer, or whoever else, come out to the house to test every product. So *[Inaudible owing to poor sound quality.]*

Mr Frew: My understanding is that no domestic setting needs PAT at present. There is a requirement for electrical installation testing, but I do not think that it is every five years. I have, however, been out of the game for a long time.

There is an issue with testing every five years. Registration is every three years. Would you be content for a testing regime to take place every six years? That would mean that every other registration would require testing certificates, rather than that being done every five years. The testing regime does not run concurrently or neatly with registration. If it were all tied in together, would there be more chance of compliance?

Ms Austin: I am not sure. I would have to think about that and understand whether there would be any unintended consequences in other areas. I do not know whether Jamie has anything to add, but I am not sure. We will discuss it, think about it and maybe speak to the charity that has more expertise in that area.

Mr Frew: Yes. Also, on your point about clause 9, there is an issue — a massive issue — with energy efficiency. That can come down to simple things such as making sure that proper windows and frames are fitted and that there is proper ventilation. Small requirements can make big differences. We need to emphasise that in the clauses.

The Chair made the point about excess winter deaths. I repeat that that should be highlighted more. It should be in the press more, and we should talk about it more. People are freezing to death, and, in some cases, they are on their own. I certainly support raising that issue. Thank you very much.

Ms Armstrong: I want to follow on from Paul's point. Pat and Jamie, Paul mentioned windows. We know that there are things that we can do to the whole house. Years ago, I worked for Chest, Heart and Stroke. One of the things that we were very concerned about was the sealing of windows so that there were no draughts. Fireplaces were also being closed up so that, again, there were no draughts. We saw, however, more damp in houses after those draughty places had been closed up. From your understanding of energy in homes, is there anything in that? For instance, if you block all the draughts and then have damp, what is the problem? Is it down to damp-proof courses or insulation? What do we need to think about?

Ms Austin: Ventilation became a big issue over the last couple of years, even in the warm homes scheme and the affordable warmth scheme. It is not just a matter of blocking everything up; you need a flow of air. As we sit here, we are creating moisture. There needs to be appropriate ventilation, and that needs to be part of the design of our homes and how we live. If we decide to put in cavity walls and loft insulation — people in the industry are aware of the issue; they have talked to us about it — there should be appropriate ventilation as well, otherwise water will run down people's walls and into their bedrooms. We have seen all manner of things like that.

Ms Armstrong: Is there no point, then, in going for a passive house standard, where you close up the house to heat it better, because it would create unintended consequences?

Ms Austin: If it is done correctly, a passive house has ventilation extraction. A mechanism is put in to ensure that there is a flow of air. Obviously, it is more technical than that. I have seen that passive houses can work very well. They are part of the mix for the future for Northern Ireland.

Mr Durkan: Thank you, Pat, and thanks, Jamie. I would like to hear your comments on clause 4, which concerns deposits, and on Propertymark's view that a deposit cap of one month's rent would be insufficient. Will you elaborate on that a wee bit?

Ms Austin: Again, we spoke to Housing Rights about that, Mark. It is not our area of expertise. We support what Housing Rights says, but I am not really over the detail of that. I do not know if Jamie has additional points to make.

Mr Miller: I will reiterate what Pat said. We work very closely with Housing Rights and rely on it for its expertise on those aspects of the Bill. We went through a briefing process with it, and we are happy to say that National Energy Action supports its arguments and position on that matter.

Mr Durkan: Does the same apply to the other provisions in clause 4 on the limits on rent paid in advance?

Ms Austin: Yes.

Mr Durkan: OK. Thank you.

Mr Dunne: Thanks, Pat and Jamie, for your presentation, the work that you do and your engagement with us. Obviously, energy efficiency is very important, and you, rightly, do a lot of good work highlighting it.

Last week, we heard from the National Union of Students-Union of Students in Ireland about students' experiences, as younger people, and that confirmed that the issue impacts all age groups — young people and older people, which has often been mentioned. Do you have much engagement with that student body and with students in general?

Ms Austin: Not as much as we probably could have. We go out to homes in areas such as the Holylands, where there is a lot of poor housing. We have some projects where, if people are getting into difficulty, we may be able to stick a couple of quid into the meter. The Fuel Poverty Coalition engages with a broad coalition, as Jamie highlighted — there are 160 organisations — and the unions are involved as well. We could do better in trying to engage with other groups, however.

Mr Dunne: OK. Thank you.

The Chairperson (Ms P Bradley): As no other member has signalled that they want to ask anything further, I thank you, Pat and Jamie, for your time today.

Ms Austin: Thank you very much.

Mr Miller: Thank you.