

January 2014

**Submission to the
Communities, Equality and Local
Government Committee
Housing (Wales) Bill**



**cyfeillion
y ddaear
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friends of
the earth
cymru**

Introduction

Friends of the Earth Cymru was set up in 1984, is part of Friends of the Earth England, Wales and Northern Ireland, and support a unique network of local campaigning groups working in communities throughout Wales. Friends of the Earth Cymru inspires the local and national action needed to protect the environment for current and future generations, and believe that the wellbeing of people and planet go hand in hand.

We responded to the Welsh Government's White Paper 'Homes for Wales' in August 2012 and the White Paper 'Renting Homes' in August 2013. We welcome this opportunity to take part in the committee's consultation on the general principles of the Housing (Wales) Bill.

These proposals have a crucial contribution to bring households out of fuel poverty and achieve the necessary reductions in carbon emissions in the housing sector through energy efficiency.

This submission focuses on the proposals that relate to our area of work and campaigning on fuel poverty and energy efficiency; primarily Part 1 of the bill (Regulation of Private Rented Housing) and briefly Part 4 (Standards for Social Housing) as well as some general comments on the proposals.

Fuel poverty and housing

Housing produces about a fifth of greenhouse gas emissions in Wales, and fuel poverty blights 30% of households¹. We congratulate the Welsh Government for taking an area based approach to housing refurbishment through the Arbed scheme, and a targeted programme to tackle fuel poverty through Nest. However the scale of the programmes and funding available are recognised as being insufficient to tackle the scale and urgency of the problem. In order to meet the agreed target of cutting Wales' emissions by 40% by 2020, one third of the current housing stock, or 400,000 houses, will need to be refurbished to a level that cuts their carbon emissions by over 60%.

Improving the standard of our rental homes is crucial to reaching this target, and has many other benefits for local job creation, saving money for householders and bringing people out of fuel poverty. Such a project would inject £3bn to Welsh GVA over 10 years and create 20,000 jobs².

But the impact of fuel poverty goes beyond financial consequences. Living in fuel poverty can affect people's health, increasing the risk and impact of a range of ailments such as heart attack, stroke, circulatory illness, respiratory conditions including bronchitis, weakened immune system and allergies. This has resulted in more than 1,900 excess winter deaths in Wales in 2012/13, with older people particularly susceptible. There are indirect effects; stress in children and adults, long-term depression and anxiety, social exclusion, ill health and lower educational attainment. The estimated cost to the NHS of cold housing in the rental sector in Wales is £2 million per annum³. Moreover there are broader economic implications for education, employment and health services in Wales.

And private rental households are the tenure most likely to suffer fuel poverty with Living in Wales data showing that 36% of these households are fuel poor.

We are therefore disappointed that neither fuel poverty nor energy efficiency are mentioned in this legislation, and only briefly referred to in the Explanatory Memorandum.

A golden opportunity to tackle this crucial issue for families and communities in Wales could be missed and we urge the committee to consider how the proposals could be clarified and strengthened to help tackle fuel poverty.

We are however pleased to see that the percentage of household living in fuel poverty will be used as an indicator in measuring and evaluating the intended effect of the legislation (Impact Assessment, paragraph 9.5 (viii)).

¹ Wales Fuel Poverty Projection Tool statistics for 2012 <http://wales.gov.uk/docs/caecd/research/130430-wales-fuel-poverty-projection-tool-2011-12-report-en.pdf>

² Stop Climate Chaos Cymru, 'Cutting Carbon: Creating Jobs' report, 2011 <http://stopclimatechaoscymru.org/wp-content/uploads/2013/07/SCC+-+Cutting+Carbon+Report+final1.pdf>

³ Calculated from BRE, April 2011 'The health costs of cold dwellings'

The general principles of the Housing (Wales) Bill

Part 1 – Regulation of Private Rented Housing

We welcome and strongly support the proposal for mandatory registration and licencing of private sector landlords and agencies. We called for this in previous consultation responses and it has also been supported by the Wales Fuel Poverty Charter Coalition that we are members of.

Research⁴ undertaken by Consumer Focus Wales with consumers looking at their perceptions of regulatory services identified that whilst participants broadly felt that the amount of regulation in several key areas of consumer protection was about right, the exception was the private rented sector where they felt that further regulation and protection for tenants was necessary given the real problems in this market.

In focus groups led by Consumer Focus Wales, a number of tenants were surprised that a registration scheme was not in place already, and landlords felt it would be a good way to eliminate poor landlords and promote tenant confidence⁵.

Registration and licensing would be a further positive step to professionalise the industry, eliminating those minority of rogue landlords that act in an unprofessional way, take advantage of vulnerable tenants and giving the rest of the industry a bad name.

Licencing

We agree that conditions should apply before registered persons may be granted a licence.

We believe that the licencing scheme should include meeting standards for the energy efficiency of rental properties, and a legal requirement for private landlords to improve properties to band E or above as soon as possible - we would suggest by the beginning of 2016 (Scotland has already introduced this measure by April 2015).

As well as an improvement in conditions for tenants and the knock on benefits for carbon savings, these measures would prevent money from government energy efficiency and fuel poverty schemes being spent on improving homes owned by private landlords who are able to pay for improvements to their properties or use schemes such as the Green Deal to do so.

According to the Energy Saving Trust, households in improved properties (moving from grade F/G to E) on average save £488 on their energy bills. The money saved from the energy bill would be released for families to spend on other living costs and necessities, helping them out of fuel and other forms of poverty. Even with the conservative assumption that 11% of F and G rated homes in Wales are for

⁴ Consumer Focus Wales research for the Local Better Regulation Office on consumer perceptions of local and national regulatory services (March 2011) unpublished

⁵ A report highlighting the findings of this research is due to be published in late August 2012

private rental the annual cash saving would be £11,809,600. Therefore, for every year that this date is brought forward, there would be a cash injection of nearly £12 million into the Welsh economy.

The work of refurbishing and supply of materials would also create decent local jobs throughout Wales at a difficult time.

In addition to the licencing requirements currently set out in section 10(3) we believe that there should be a requirement on the applicant to ensure that the properties to be rented meet a minimum standard of energy efficiency - that the property should be 'fit and proper' as well as the person letting them. This could be enacted through the addition of a section in this part of the bill.

If it is not possible to do this directly within this bill, a reference to minimum standard for rental accommodation, including the energy efficiency of homes, must explicitly be added to the issues that should be included in a Ministerial Code of Practice as set out in section 28.

However for clarity and certainty, and in order to act as soon as possible to improve sub-standard private rental homes, we would urge the committee to consider including this on the face of the bill itself rather than wait for a code of practice at the discretion of a Minister.

The Sustainable Development impact assessment (Explanatory Memorandum 8.16-8.18) states "***Tenants in the private rented sector are expected to experience improvement management of their accommodation, with reduced heating bills if better insulation is installed.***" (8.18) As this legislation currently reads, there is no direct link between this statement and what is proposed.

Legislation is essential to ensure private rented properties meet a basic standard of energy efficiency and protect householders who live in the very worst insulated accommodation from high energy bills, ill health and fuel poverty.

Part 4 – Standards for social housing

We support the proposals to ensure that there is a "quality of accommodation" standard for all local housing authorities in order to achieve minimum standards across the sector, whether the house is owned by a local authority or a housing association.

We agree with the Explanatory Memorandum (3.63) that "*Tenants should be able to expect an acceptable standard of accommodation regardless of whether they are a tenant of a local authority or housing association.*"

As the wording of the bill only states that Welsh Ministers "*may set standards.*" (section 94(1)) we would seek reassurances that the intention of the Explanatory Memorandum is fully met and that the mandatory standard is put in place as soon as possible.