



The Scottish Parliament
Pàrlamaid na h-Alba

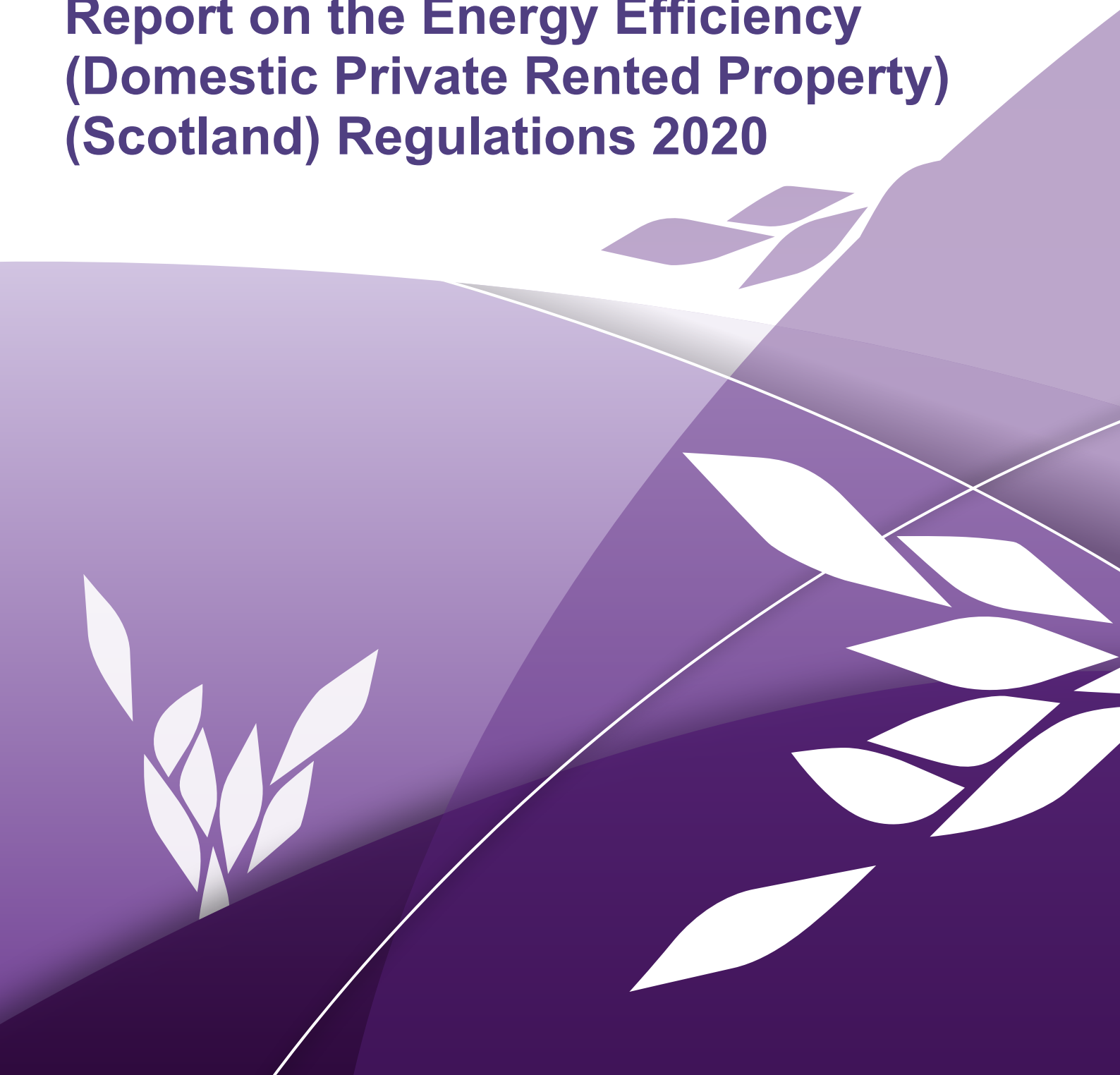
Published 26 March 2020

SP Paper 695

4th Report (Session 5)

Local Government and Communities Committee Comataidh Riaghaltas Ionadail is Coimhearsnachdan

Report on the Energy Efficiency (Domestic Private Rented Property) (Scotland) Regulations 2020



Published in Scotland by the Scottish Parliamentary Corporate Body.

All documents are available on the Scottish
Parliament website at:
[http://www.parliament.scot/abouttheparliament/
91279.aspx](http://www.parliament.scot/abouttheparliament/91279.aspx)

For information on the Scottish Parliament contact
Public Information on:
Telephone: 0131 348 5000
Textphone: 0800 092 7100
Email: sp.info@parliament.scot

Contents

Introduction	1
Consideration by the Committee	2
Conclusion	4

Local Government and Communities Committee

To consider and report on communities, housing, local government, measures against poverty, planning and regeneration matters falling within the responsibility of the Cabinet Secretary for Communities and Local Government.



<http://www.scottish.parliament.uk/parliamentarybusiness/CurrentCommittees/local-govt-committee.aspx>



LGCCcommittee@parliament.scot



0131 348 6037

Committee Membership



Convener
James Dornan
Scottish National Party



Deputy Convener
Sarah Boyack
Scottish Labour



Jeremy Balfour
Scottish Conservative
and Unionist Party



Annabelle Ewing
Scottish National Party



Kenneth Gibson
Scottish National Party



Graham Simpson
Scottish Conservative
and Unionist Party



Andy Wightman
Scottish Green Party

Introduction

1. The Local Government and Communities Committee reports to the Parliament as follows-
2. [The Energy Efficiency \(Domestic Private Rented Property\) \(Scotland\) Regulations 2020](#) were laid before the Parliament on 28 January 2020 and referred to the Local Government and Communities Committee for consideration.
3. These Regulations introduce measures to improve the energy efficiency of certain private rented property in Scotland.
4. The [policy note](#) states that the regulations will require private rented landlords to improve the energy efficiency of domestic private rented sector (PRS) property in Scotland. They prescribe a minimum level of energy efficiency by means of the energy performance indicator included on the energy performance certificate (EPC) for the property. The minimum level is set for the period 1 October 2020 to 31 March 2022 as EPC energy performance indicator E, and from 1 April 2022 as EPC energy performance indicator D. Subject to prescribed exceptions, a landlord of a domestic private rented property must not grant a new tenancy of the property after 1 October 2020, and must not continue to let the property after that date, where the energy efficiency of the property is below the minimum level.
5. The policy note also states that Minimum energy efficiency standards in the private rented sector support the Scottish Governments efforts to meet its climate change, energy efficiency and fuel poverty targets. It adds that improvements in the energy efficiency in domestic private rented properties will help the Scottish Government achieve broader objectives, which include supporting economic growth and jobs in the green construction industry and improving public health.

Consideration by the Committee

6. The Delegated Powers and Law Reform Committee considered this instrument at its meeting on [18 February 2020](#) and [determined](#) that it did not need to draw the attention of the Parliament to the instrument on any grounds within its remit.
7. At its meeting on [26 February 2020](#) the Local Government and Communities Committee took evidence on the instrument from:
 - Kevin Stewart, Minister for Local Government, Housing and Planning; and
 - Karen Major, Private Rented Sector Regulations, Scottish Government.
8. During evidence, the Minister explained that exemptions, referred to in paragraph 4, applied where "the cost of the works exceeding £5,000 for each standard set; a sitting tenant or third party refusing to allow the required works to take place; and the likelihood that the necessary works would have a negative impact on the fabric or structure of the property". ⁱ
9. The Minister was asked whether any consideration had been given to varying the cost cap by region to accommodate areas where energy efficiency measures are generally more expensive due to the age of housing stock. He clarified that the Government had not looked at regional variations, but that it would monitor whether variations were required going forward. He acknowledged that, due to the nature of some properties, for example, those from the late 18th and early 19th century, current technology may not allow for works to bring these properties to the required standard within the £5000 cap. He said that it would be considered how all types of homes could be made more energy efficient through the [Energy Efficient Scotland programme](#). ⁱⁱ
10. The Minister confirmed that there would be an exemptions register, which would be separate from the existing landlord register, due to limitations of the functionality of that register. There will not be a register of properties which have had energy efficiency measures carried out. He also stated that the average cost per property for energy efficiency changes would be in the region of £1140, so the Government would be seek to "keep an eye on any creativity that goes on" in relation to quotes which exceed the £5000 cap. ⁱⁱⁱ
11. The Minister was asked whether local authorities would require additional resources to carry out regulatory enforcement and the extent to which the improvement work would feed into the area based energy efficiency schemes.
12. The Minister said that it would be up to individual local authorities how they manage their energy efficiency schemes, but that the Government had been working on formal governance arrangements with COSLA, the Society of Local Authority Chief Executives and Senior Managers to oversee strategic planning of the energy

ⁱ Local Government and Communities Committee Official Report 26 February 2020 Col 4.

ⁱⁱ [Local Government and Communities Committee Official Report 26 February 2020 Cols 5 and 6.](#)

ⁱⁱⁱ Local Government and Communities Committee Official Report 26 February 2020 Col 5.

efficiency programme. He said that this work would fit in well with the current local authority led energy efficient schemes, [Home Energy Efficiency Programmes for Scotland: area-based schemes \(HEEPS ABS\)](#), and spoke of the benefits of entering into such schemes and the potential issues of choosing not to. He acknowledged that whilst some local authorities were proactive in informing owner occupiers and landlords that such schemes were available, some needed to be more proactive.^{iv}

13. The Minister said that a total of 68,000 properties would be affected. He said there are 26,000 properties currently in bands F and G and these would be affected by the first wave of regulation on October 2022. A further 42,000 properties are currently in EPC band E and those would be affected by the second wave of regulation in April 2022.^v
14. The Minister stated that guidance would be published on 1 April 2020 and the date of implementation was 1 October 2020. He would use this time to talk to local authorities and stakeholders about the upcoming changes. He confirmed that, during his discussions with local authorities and COSLA on their readiness to implement the changes, he had been given no indication that these timings would cause them any difficulties. The Minister was aware that in the application of HEEPS ABS, some local authorities had concentrated on the “low hanging fruit” and that some local authorities were looking to move beyond this approach to tackle the private rented and owner occupied sectors.^{vi}
15. The Minister said that he would make use of the Scottish Association of Landlords and Shelter to communicate the changes to landlords and to tenants on their rights. He acknowledged that it was a possibility that landlords could pass the cost of their repairs on to tenants by increasing their rents, but he hoped that increasing the energy efficiency of buildings could allow for residents to save some money on their energy bills.^{vii}

^{iv} Local Government and Communities Committee Official Report 26 February 2020 Cols 6 and 7.

^v Local Government and Communities Committee Official Report 26 February 2020 Col 7.

^{vi} Local Government and Communities Committee Official Report 26 February 2020 Col 8.

^{vii} Local Government and Communities Committee Official Report 26 February 2020 Col 8.

Conclusion

16. The Local Government and Communities Committee recommends that the Energy Efficiency (Domestic Private Rented Property) (Scotland) Regulations 2020 be approved.

