

Consultation Response: Improving the energy efficiency of socially rented homes

September 2025

The UK Green Building Council represents the voice of the UK's sustainable built environment industry. We are a charity powered by more than 600 members from banks, large estate owners, housebuilders, and manufacturers to innovative startups, universities, local councils and government departments - all working to transform the built environment in the face of the climate, nature and cost-of-living crises.

We welcome this consultation and the government's renewed commitment to improving energy efficiency in the social rented sector (SRS). Achieving net zero and addressing fuel poverty must include the SRS, which provides homes for some of the lowest-income households in the country. Too many homes remain cold, inefficient, and costly to run, and upgrading them is essential to tackling inequality, improving health outcomes, and meeting climate goals.

The consultation sets out proposals for a new Minimum Energy Efficiency Standard (MEES) for the SRS, including: metrics to define compliance; transitional arrangements; a per-property spend exemption; and exemptions for cases such as tenant refusal.

We are broadly supportive of the government's preferred option - a dual-metric approach requiring fabric improvements and meeting either a heating system or smart readiness target. All metrics should be ambitious, clearly defined, with robust frameworks and guidance alongside proactive tenant and landlord engagement to deliver meaningful progress on decarbonisation and fuel poverty.

In our response we have recommended increasing the spend exemption-limit to align with what was proposed in the PRS, and to encourage comprehensive retrofit packages rather than piecemeal measures. Similarly, we have called for a reduction to the 10-year exemption as this risks leaving too many tenants in poor-quality homes for too long.

Delivering MEES in the SRS cannot stand alone. It must form part of an overarching retrofit strategy, aligned with EPC reform, the development of the Home Energy Model, and wider policy initiatives such as the Warm Homes Plan, heat network regulations, and renters' rights reform. Success will depend on government providing clarity on metrics and timeframes, stable funding, investment in skills and supply chains, and independent retrofit advice to support landlords and tenants alike.

1. Metric(s) to assess compliance

Question 1: Do you agree that the government's preferred option (option 1- dual metric approach) to set a minimum energy efficiency standard for the SRS is the most suitable option?

- Yes

- No
- Don't know

Please explain your answer

We broadly support Option 1 as it offers useful flexibility given the variation in social housing stock. However, we also see merit in Option 3, which would provide more certainty by requiring both fabric improvements and low-carbon heating. Without clarity on the forthcoming Home Energy Model (HEM) metrics, it is difficult to fully assess costs and differences for social landlords, raising concerns about the financial implications of each option - more detail and clarity on the new EPC metrics are needed from the EPB consultation.

Prioritising a fabric metric can deliver lasting improvements in thermal comfort, reduced energy demand, and lower bills. To be effective, it must be supported by clear guidance (including for flats where standard measures may not apply), robust in-use performance measurement, and strong communication with both landlords and tenants which uses accessible language (i.e. warmth and comfort) instead of technical terms.

Low-carbon heating is critical, but a heating metric should be balanced with policies to close the energy price gap so as not to increase bills for those with low-carbon heating as an unintended consequences. A separate heating metric may not be necessary - a carbon-based metric would provide a clearer link to real outcomes, account for regional variations (e.g. heat networks), support new technologies, and minimise the risk of landlords opting for the cheapest but least effective solutions.

On Smart Readiness, further development is required. Awareness of smart technologies among both landlords and tenants is currently low, raising risks of digital exclusion and confusion. Any smart metric must therefore be underpinned by a robust framework, clear communication, and practical support to ensure technologies deliver genuine benefits rather than additional complexity.

Government should use the RISE service to provide a clear framework that guides landlords toward measures with the greatest impact on fuel poverty and decarbonisation. A national and regional retrofit advice service would be valuable to help landlords and tenants understand metrics and recommendations - this should focus on terms which are accessible (i.e. warmth, comfort) as opposed to overly technical terms which might alienate and lose buy-in.

Please see our [response to the Energy Performance of Buildings \(EPB\) consultation](#) for further comment on the suggested EPC metrics.

~~Question 2: If you do not agree, which, if any, of the other metric options outlined would be your preferred approach to set a minimum energy efficiency standard for the SRS?~~

- ~~• Option 2: A fabric performance metric only, by 2030:-~~
- ~~• Option 3: Specified dual metrics, by 2030, either:-~~
- ~~• Fabric Performance and Smart Readiness-~~
- ~~• Fabric Performance and Heating System-~~
- ~~• Smart Readiness and Heating System:-~~
- ~~• Option 4A: An average of all three metrics (Fabric Performance, Smart Readiness and Heating System), by 2030:-~~
- ~~• Option 4B: Two of the three metrics, at the landlord's discretion, (Fabric Performance, Smart Readiness, Heating System), by 2030:-~~
- ~~• Don't know-~~

~~Please explain your answer-~~

Question 3: Are there any other approaches to setting MEES that should be considered (such as an energy cost-based approach)?

- ☒ Yes
- ☐ No
- ☐ Don't Know

Please explain your answer

In our [response to the EPB consultation](#), and as set out above, we are supportive of a carbon metric as it directly supports the goal of decarbonisation. A simple, easy-to-understand carbon rating should be used to track progress toward Net Zero targets (accounting for planned grid decarbonisation), incentivise low-carbon heating, and align with the Net Zero Carbon Building Standard.

As mentioned in Question 1, guidance around metrics should be provided for both landlords and tenants with customer-centric accessible language in order to ensure tenant understanding and buy-in to this agenda.

~~Question 4: If you are answering as a registered provider of social housing, after taking into account your future business plans and the provided assumptions for the requirements of the metrics, which secondary metric would you choose to meet the standard against within the preferred option?:-~~

- ~~• Smart Readiness-~~

~~• Heating System-~~

~~• Don't know-~~

~~Please explain your answer:-~~

2. Compliance date

Question 5: Do you agree with the proposal for social homes to comply with MEES by 1 April 2030?

• Yes

• No

• Don't know

We support the proposed 2030 deadline. While ambitious, it is essential for accelerating decarbonisation and providing confidence that the policy will be delivered within this parliament rather than delayed or reversed.

Feedback from our members is that 2030 is challenging but achievable if key conditions are met: finalisation of metrics by 2025/26, adequate and consistent funding streams, and early publication of guidance and communication with landlords to allow them to plan, procure, and build capacity.

However, it is important that the implementation timeline also reflects the wider regulatory landscape. Social landlords are simultaneously preparing for other reforms, such as the updated Decent Homes Standard, which will require significant parallel investment. Allowing sufficient lead-in time enables landlords to prioritise and sequence works in the most effective way e.g. coordinating fabric upgrades with heating system replacements or integrating MEES with wider stock investment programmes. Longer timescales provide flexibility to deliver more efficiently, avoiding duplication of works, ensuring better outcomes for tenants, and minimising the risks that social landlords might exit from the sector.

~~Question 6: If you have answered no to Question 5, do you have a view on alternative options for setting the compliance date, for example either earlier or later than 2030?~~

3. Exemptions

Question 7: Do you agree with the government proposal to set a time-limited spend exemption?

- Yes
- No
- Don't know

Please explain your answer.

Yes exemptions should be provided for hard to treat properties, and are essential to easing sequencing flexibility across MEES, Decent Homes Standard, EPC reform, and other regulatory requirements. However, exemptions also risk entrenching inequality for tenants in exempt properties.

Question 8: Government has considered three options for the setting maximum required investment under a spend exemption. Comparing these options, which do you think is most appropriate for the SRS?

- Set it at £10,000 (Govt preferred approach)
- Set it at £15,000
- No spend exemption
- Other – please specify
- Don't know

Please explain your answer

The feedback from our members was that the proposed £10,000 cap (including grants) is too low, particularly for harder-to-treat stock. At this level, many homes risk falling into long-term exemption, leaving tenants in cold, inefficient housing. The additional cost difference between £10,000 and £15,000 is relatively small, but the potential impact for tenants, many of whom are among the most vulnerable in society, would be significant.

We recommend increasing the cap to £15,000 including grants, which would: ensure more homes meet minimum standards and avoid piecemeal low-cost measures; reduce perverse incentives for demolition over retrofit; maintain parity with proposals in the PRS, while reflecting the scale of investment already supported by social housing grant schemes.

This increase should be backed by clear guidance on what qualifies as eligible spend (e.g. expert advice, modelling, retrofit planning as well as measures) and frameworks to support landlords in delivering coordinated, high-quality packages of improvements. The Government could also remove or reduce the VAT due on retrofit measures (such as installations of qualifying materials and technologies) ([see our submission to the Autumn Budget 2024](#)).

We acknowledge the social rented sector faces distinct constraints in raising capital, as landlords cannot cover investment through rent raises, as is common throughout the private rented sector. If the exemption is raised, the government should provide a clear strategy to support housing associations in accessing both public and private finance. Any new public funding to support MEES must be additional, not reallocated from existing budgets such as development funding, to avoid a 'see-saw' effect where progress in one area undermines another. A joined-up national approach is essential to ensure landlords have the resources needed to meet higher standards while protecting tenants and maintaining delivery of new affordable homes.

Question 9: Do you agree with government's proposal for any time limited spend exemption to be valid for 10 years from 1 April 2030?

- Yes
- **No**
- Don't Know

Please explain your answer

We do not support a 10-year exemption from 2030. This risks leaving large volumes of homes exempt until 2040, locking tenants into poor housing conditions and delaying essential progress on fuel poverty and emissions reduction.

A shorter exemption period (e.g. 5 years) would better align with the UK's net-zero pathway, including the Climate Change Committee's advice that half of all homes should be electrified by 2040. Long exemptions undermine this trajectory and create inequity, as the worst-performing homes, which are often occupied by the lowest-income or most vulnerable tenants, would be left behind.

However, as above, we acknowledge the social rented sector faces distinct constraints in raising capital, as landlords cannot cover investment through rent raises, as is common throughout the private rented sector. If the exemption time is reduced, it's important to provide landlords with alternative and additional public and private financing options to avoid exit from the market completely. Any new public funding to support MEES must be additional, not reallocated from existing budgets such as development funding, to avoid a 'see-saw' effect where progress in one area undermines another. A joined-up national approach is essential to ensure landlords have the resources needed to meet higher standards while protecting tenants and maintaining delivery of new affordable homes.

We also recognise landlords need to plan investment programmes alongside other regulatory requirements, such as the revised Decent Homes Standard. Implementation arrangements should therefore provide landlords with the flexibility to sequence and align works across multiple obligations, ensuring that fabric upgrades, heating replacements, and other stock improvements are delivered in the most efficient order. A shorter exemption period should be coupled with clear guidance on how MEES interacts with wider housing regulations, in order to give landlords the certainty they

need to plan effectively without locking tenants into prolonged periods of poor energy performance.

Question 10: If you have answered no to Question 8, would you prefer an exemption that is valid for:

- ☒ Less than 10 years
- ☐ Over 10 years
- ☐ Don't know

Please explain your answer.

Where exemptions are necessary, we would support a five-year exemption period and working with finance providers and landlords to provide support, guidance, and solutions to fund the works required for hard-to-treat homes.

~~Question 11: If you are answering as a provider for social housing, based on the current condition of your stock and the anticipated costs of meeting MEES, what proportion of your housing stock would you estimate you would use the spend exemption for?~~

- ~~• ☐ Less than 10%~~
- ~~• ☐ 10-20%~~
- ~~• ☐ 20-30%~~
- ~~• ☐ 30-40%~~
- ~~• ☐ 40-50%~~
- ~~• ☐ 50% or above~~
- ~~• ☐ Don't know~~

~~Please explain your answer:-~~

~~Question 12: Are you aware of any other circumstances where individual dwellings could not meet the standard, but which are not covered by either applying the DHS exemptions to MEES or the time limited spend exemption?:-~~

- ~~• ☐ Yes-~~
- ~~• ☐ No-~~
- ~~• ☐ Don't know-~~

~~Please explain your answer:-~~

4. Transitions periods

Question 13: Do you agree that properties that meet an EPC (EER) rating of C prior to the introduction of new EPCs should be recognised as compliant with the future standard until their current EPC expires or is replaced?

- ☒ Yes
- ☐ No
- ☐ Don't know

Please explain your answer.

We support this proposal as a pragmatic way to grow the retrofit sector without overwhelming supply chains. It fairly recognises landlords who have already invested in achieving EPC C or above under the current regime, ensuring early movers are not penalised and might encourage those more likely to go further in future.

Greater clarity is needed on how many properties may be reclassified under the new EPC framework, and guidance should prioritise improving the lowest-rated homes. Clear communication will also be essential to explain the transition between old and new EPC standards, avoiding confusion or a rush to comply with the current system in ways that may not support low-carbon heating or long-term fuel poverty or decarbonisation goals.

Question 14: Do you agree with government's proposal that, as an EPC reform transition measure, properties that have achieved EER C from the introduction of new EPCs until 1 April 2028 should be considered compliant until the property's EPC expires, after which they would need to comply with MEES?

- ☒ Yes
- ☐ No
- ☐ Don't know

Please explain your answer.

As above.

~~Question 15: If government's proposed approach is implemented, which of the following courses of action do you think registered providers of social housing would take where homes currently meet EER C? (Subject to the new EPC system being introduced in 2026)~~

- ~~—Renew EPCs before the introduction of the new EPC system and comply ten years later.~~
- ~~—Renew EPCs when they expire and demonstrate compliance under EER C until required to meet MEES using new EPC metrics in the early 2030s.~~
- ~~—Renew EPCs when they expire and demonstrate compliance with MEES immediately.~~

- ~~Other-~~
- ~~Don't know~~

Please explain your answer:-

Question 16: If the government's proposed approach is implemented, which of the following courses of action do you think registered providers of social housing would take for homes that do not currently meet EER C?

- ~~Improve homes to EER C by 1 April 2028 to demonstrate compliance under EER C for the rest of the EPC validity period, then carry out any additional work needed to meet MEES using new metrics:-~~
- ~~Improve homes to meet MEES using new EPC metrics by 1 April 2030:-~~
- ~~Other-~~
- ~~Don't know-~~

Please explain your answer:-

5. Next steps/other

Question 22: Do you have any additional questions or concerns not answered in this consultation that we should consider when drafting the guidance and government response? Please explain your answer

Government guidance on MEES should seek to focus more on the range of social co-benefits resulting from higher MEES standards (e.g. lower fuel poverty, improved health) as well as decarbonisation in order to ensure buy in from social housing providers and tenants. This communication should use terms and language which are accessible to general public (i.e. 'warmth', 'comfort') as opposed to overly technical terms which might alienate and lose buy-in.

Government should ensure domestic retrofit policy, including MEES, accounts for embodied carbon and work to incentivise low-carbon materials and methods, as well as undertaking assessment of upfront emissions against long-term savings from energy efficiency and low-carbon heating (e.g. see this report: [Embodied Carbon of Retrofits](#)).

Question 33: Do you have any further comments or concerns regarding Minimum Energy Efficiency standards in the social rented sector or on longer term decarbonisation and net zero which have not been mentioned?

MEES delivery in the social rented sector must be supported by an enabling policy framework including EPC reform, development of the Home Energy Model (HEM), investment in skills and capacity, and tailored advice for both landlords and tenants. – all embedded within an overarching national retrofit strategy, such as the Warm Homes Plan. This requires an implementation strategy which allows landlords to align

MEES with other regulatory requirements, giving flexibility to plan and sequence investments efficiently while still driving progress for tenants.

Accreditation bodies must ensure EPC assessors are properly trained to deliver consistent, high-quality assessments. Landlords will need clear, practical guidance to comply with new requirements, while tenants must be engaged and supported to use energy efficiency and low-carbon heating technologies effectively. Without this, benefits may not be realised, leading to dissatisfaction among both groups.

The strategy should also prioritise performance outcomes rather than just installed measures. A national framework for post-retrofit testing, such as through approved HTC SMETER measurements, would build consumer trust, verify real energy savings, and drive innovation. This outcome-based approach is critical to achieving net zero while ensuring that tenants experience the benefits of investment.

For any questions relating to the content in this consultation please contact policy@ukgbc.org.