



City of Westminster

Cabinet Member Report

Decision Maker:	Cabinet Member for Climate Action, Regeneration & Renters
Date:	23 January 2023
Classification:	General Release
Title:	MEES Plus Grant Policy
Wards Affected:	All
Policy Context:	Improving energy efficiency in the Private Rented Sector (PRS) is a key aim of our Fairer Westminster strategy. The MEES Plus Grant Policy is the foundation document for the launch of the MEES Plus Grant Pilot Scheme which will make an essential contribution to delivering on this aim.
Key Decision:	Key decision due to impact on all wards.
Financial Summary:	Westminster was awarded a sum of £158,149 by the Carbon Offset Fund to deliver “measurable and quantifiable reductions in carbon emissions in private rented properties across the City of Westminster.” The costs will be fully met from this grant.
Report of:	Sarah Newman, Bi-Borough Executive Director of Children’s Services

1. Executive Summary

- 1.1 The MEES Plus Grant Policy and Pilot Scheme are funded by the Carbon Offset Fund to deliver energy efficiency improvements and carbon savings in the private rented sector (PRS). The Pilot Scheme will offer financial support to landlords to make energy efficiency improvements to their properties in line with the criteria set out by the MEES Plus Grant Policy.
- 1.2 The Pilot Scheme will make a tangible contribution to achieving the goals and objectives of Westminster's Private Rented Sector Strategy and Climate Action Plan, whilst also aligning with the new administration's priorities under the new *Fairer Westminster Strategy*. It will provide an evidence-base to inform and support future policy, funding bids and services, and aid Westminster in meeting its Climate Emergency targets for net zero 2040.

1.3 The Pilot Scheme:

The Pilot Scheme builds on the existing MHCLG funded MEES Enforcement Project to enforce the minimum energy efficiency standard (EPC E) in the PRS. The MEES Enforcement Team, using data analysis and engagement with the sector, has identified a list of properties/landlords that are eligible for MEES Plus Grant funding. This intelligence and knowledge will ensure that through the Pilot Scheme, carbon offset funds are spent effectively and efficiently.

The Pilot will provide financial/practical support to private landlords from 2 target groups, those who are either:

- 1) Exempt* from meeting MEES (EPC rating E), although willing to meet it with grant assistance
- 2) Meeting MEES but are willing to improve their property EPC rating to a 'D' or a 'C'

*Exemptions:

Properties with EPCs below the minimum standard (E) may be exempt. There are 9 types of exemption. Westminster properties are more likely to be exempt for "High Cost", where the cost of energy efficiency measures to meet the minimum standard exceeds £3,500, due to the cost of works in central London. Exemptions are not automatic and must be registered by the landlord on the national register. A full list of exemptions can be viewed [here](#).

The Pilot Scheme aims to fund approximately 8 – 10 properties to make tangible, quantifiable and transparent carbon savings. Learnings from the Pilot Scheme will inform future strategy and enable Westminster to meet its Climate Emergency targets.

The aims of the Scheme are to:

- Improve energy efficiency in the Private Rented Sector
- Deliver carbon savings that would not have occurred through MEES enforcement alone
- Provide a case study on how to overcome unique challenges to Westminster's ageing housing stock (approximately half built pre-1900) and complex mix of listed buildings and conservation areas.
- Future proof Westminster properties to comply with a potentially increasing minimum energy efficiency standard (EPC E to C)
- Inform future strategy, policy development and service delivery toward achieving net zero 2040

1.4 MEES Plus Grant Policy

Applications for grants will be administered in accordance with the new MEES Plus Grant policy which is set out in Appendix A. Two of the guiding principles for administration of grants are:

- Landlords are expected to match fund works e.g a grant of £5,000 would require a matched contribution of £5,000
- Grants will be capped at £10,000 per property (excluding landlord contribution)

There are also certain eligibility criteria that landlords must meet to be considered for funding, these can be viewed in the MEES Plus Grant Policy (Appendix A).

Grants will aim to be administered to a 50/50 split between properties that are: exempted from MEES and those that already meet MEES but are willing to exceed it. This is to maximise learning from the Pilot, by examining the practical delivery of energy efficiency works across as broad a group of properties as possible.

2. Recommendations

- 2.1 This report recommends the approval of the MEES Plus Grant Policy for delivery of the MEES Plus Pilot Scheme (the Pilot Scheme) to increase energy efficiency in the private rented sector (PRS) contributing to carbon emission reductions to achieve net zero by 2040.

3. Reasons for Decision

- 3.1 On 30/11/21 following a successful bid, Westminster was awarded a sum of **£158,149** by the Carbon Offset Fund to deliver "measurable and quantifiable

reductions in carbon emissions in private rented properties across the City of Westminster.” A condition of the funding is that the pilot must begin within 24 months of the date of the approval letter (30/11/21).

- 3.2 Approval of the MEES Plus Grant Policy is necessary for delivery of the MEES Plus Grant Pilot, in accordance with the funding awarded by the Carbon Offset Fund.

4. Background, including Policy Context

- 4.1 The City of Westminster has some of the highest emissions by Local Authority area in the UK. 86% of those emissions are generated by the built environment. Residential buildings contribute 15% of citywide emissions. Westminster has the largest private rented sector (PRS) in England with an estimated 52,700 properties. The PRS is Westminster’s largest tenure type, making up 43% of all housing.
- 4.2 Improving the energy efficiency of Westminster’s largest tenure is a high priority for Westminster City Council. It is a key component of Westminster’s Private Rented Sector Strategy 2021 – 2025 and Westminster’s Climate Action Plan, and a significant focus of the new administration’s *Fairer Westminster Strategy*.

4.3 The legislation:

MEES as a term generally refers to legislation introduced in 2015 by the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015. The aim of the regulations and the new standard is to tackle the least energy-efficient properties in England and Wales – those rated F or G on their Energy Performance Certificate (EPC). The Regulations establish the minimum standard of EPC band E for both domestic and non-domestic private rented property, applying to all properties in scope from 1 April 2020 in the domestic sector, and from 1 April 2023 in the non-domestic sector.

The Pilot Scheme will work in tandem with the ongoing Minimum Energy Efficiency Standards (MEES) Enforcement Project funded by MHCLG (Ministry of Housing, Communities & Local Government).

4.4 Corporate Policy Context:

In 2019 Westminster City Council declared a Climate Emergency and released “Zero Carbon City 2040: Westminster Climate Emergency Action Plan” setting out a comprehensive set of actions to reduce carbon emissions across the City with the aim of achieving net zero by 2040.

“Efficient Buildings” is one of 5 key outcome priorities, based on an assessment of Westminster’s emissions sources, stakeholder feedback, and the opportunities for delivering the greatest levels of emissions savings. Key

goals are to maximise the retrofitting of buildings to cut their energy demand, enable residents to reduce their energy use, and save money. The existing MEES Enforcement Project and MEES Plus Pilot Scheme form one of the leading actions in the Climate Emergency Action Plan, combining an enforcement approach with funding support to improve minimum energy efficiency in the Private Rented Sector.

The Pilot Scheme will contribute key learnings into how to meet the new administration's "Fairer Westminster" strategy. The scheme aims to contribute to the decarbonisation of private housing stock, retrofitting homes to reduce bills and carbon, and in supporting landlords to improve their property's energy efficiency, including ways to access grant funding to support installing insulation, heat pumps and other applicable measures.

4.5 Carbon Offset Fund:

The Pilot Scheme is a carbon saving project funded by the Carbon Offset Fund. It is designed to meet the Fund's objectives which are to enable local carbon saving activity and enable Westminster residents, businesses and communities to:

- Reduce their energy use and associated carbon emissions
- Promote cleaner, greener and safer communities
- Support the delivery of wider co-benefits, such as reduced energy bills for residents
- Support delivery of Westminster's carbon neutral ambitions set out in the City Council's Climate Emergency Declaration

The Pilot Scheme budget:

Grant Funding: £100,000
Project Management: £59,149
Total: £159,149

5. Financial Implications

- 5.1 As noted above the scheme is fully externally funded through Carbon Offset Grant funding £159k. There will be no additional costs to be funded from the council.

6. Legal Implications

- 6.1 The Council has discretionary powers under Article 3 of the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 to give assistance, grants and services for a wide range of works and adaptations to improve living conditions for certain accommodation in its area. The recommendation in this report is in accordance with the proper exercise of this power. The future legal implications of the recommendation have already been set out in the body of this report in relation to the MEES legislation.

7. Carbon Impact

- 7.1 The Pilot Scheme will deliver carbon savings in the private rented sector by providing funding to landlords to make energy efficiency improvements to their properties. The Pilot Scheme will contribute to carbon reduction that would not have occurred through enforcement of existing MEES legislation alone. This is a requirement of Carbon Offset Funding.
- 7.2 To ensure the objectives of the Pilot Scheme and MEES Plus Grant Policy are met, the policy outlines strict criteria for the types of works that are eligible for funding by the Pilot Scheme.

Two of the key criteria are:

- A summary of measures and associated carbon savings will be submitted by each landlord prior to grant approval (these can be calculated by the contractor)
- Proposed measures and associated savings should aim to be achieved at a rate of £500/tonne of carbon saved (contractor should be able to provide figures)

8. Equalities Impact

- 8.1 The council must have regard to its public sector equality duty under section 149 of the Equality Act 2010. In summary section 149 provides that a Public Authority must, in the exercise of its functions, have due regard to the need to:
- (a) eliminate discrimination harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - (c) foster good relations between persons who share a relevant protected characteristics and persons who do not share it.
- 8.2 Section 149 (7) of the Equality Act 2010 defines the relevant protected characteristics as age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.
- 8.3 The council believes that these proposals do not adversely impact or unlawfully discriminate against any protected characteristics.

9. Consultation

- 9.1 There is no requirement for a public consultation exercise in relation to the approval of the MEES Plus Grant Policy.

If you have any queries about this Report or wish to inspect any of the Background Papers, please contact:

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APPENDICES

Appendix A - Mees Plus Grant Policy

BACKGROUND PAPERS

Zero Carbon City 2040: Westminster Climate Emergency Action Plan

Private Rented Sector Strategy 2021 – 2025

Labour's Green New Deal For Westminster

Labour's Plan For A Fairer Westminster

Home Improvement Agency Grants and Assistance & Leaseholder Relocation Assistance

Westminster Carbon Offset Fund Guidance (January 2020)


MEES Plus Equality Impact Assessment

NB: For individual Cabinet Member reports only

For completion by the **Cabinet Member for Climate Action, Regeneration & Renters**

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed:  Date: 23/01/2023
NAME: **Councillor Matt Noble**

State nature of interest if any:

(N.B: If you have an interest, you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendation(s) in the report entitled **MEES Plus Grant Policy** and reject any alternative options which are referred to but not recommended.

Signed: 

Cabinet Member for Climate Action, Regeneration & Renters
23/01/2023

Date: _____

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:

If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Director of Law, City Treasurer and, if there are resources implications, the Director of People Services (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2)

your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.