

# Fuel Poverty & Smart Meters in HMOs

Andy Deacon, Director, Future Climate

# Fuel Poverty and HMOs: Practitioners' Views

## Research Questions

- Is there a problem of fuel poverty (broadly defined as energy efficiency problems leading to cold and high bills) in HMOs?
- Are HMOs more or less likely than other homes to be energy inefficient and, if so, what are the distinctive energy-related features and problems?
- How is energy paid for in HMOs?
- How well are council action and national policies working to promote energy improvements in HMOs?
- How could policies be adjusted to improve the energy efficiency of HMOs?

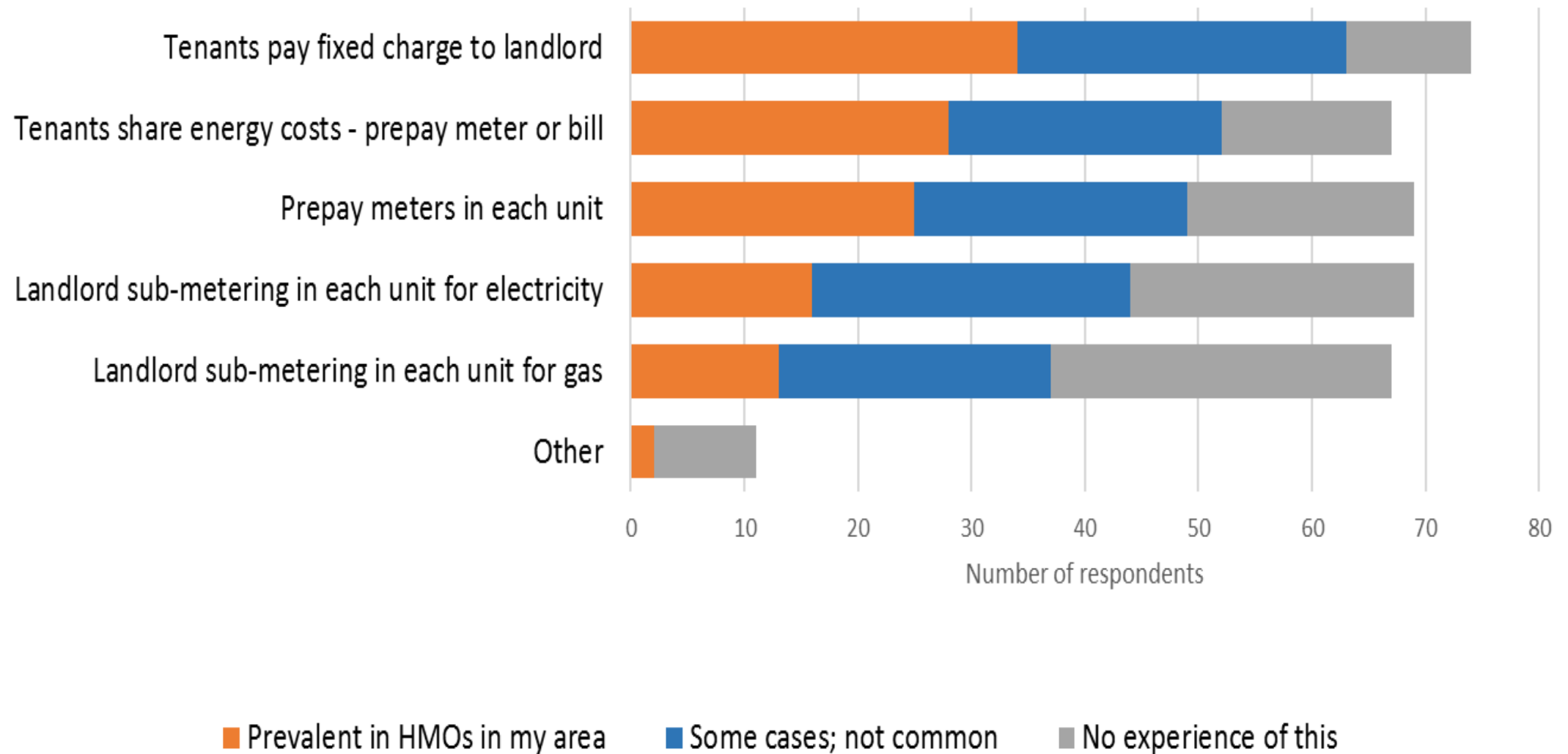
# The survey

Questionnaire completed by 112 Respondents:

- Local authority staff (60% of responses) – with job titles indicating that they worked principally in environmental health and housing teams
- Landlords (13% of responses) – a mixture of private and social landlords
- NGOs (28% of responses) – principally working at local level and including several Citizens Advice Bureaux

Plus literature review and twelve follow up interviews

## How is energy paid for in HMOs?



# Energy Related Problems in HMOs

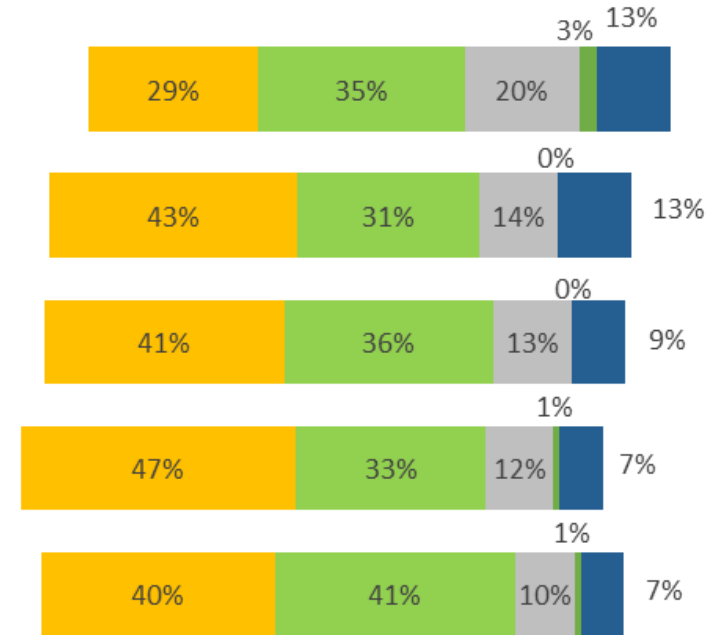
Overcrowding/ hygiene problems linked to cold/damp

Mould growth

Condensation problems

Uncomfortable/ unhealthy low room temperatures

Draughts



- More common in HMOs than in other homes
- About the same
- Don't know
- Not present/ common in any type of property
- Less common in HMOs than in other homes



- *‘Tenants fail to use heating as they can't afford it’.*
- *‘Discussions with the residents highlights the cost of heating these large pre 1919 properties with large single glazed draughty bay windows is extreme and hence they do not put the heating on very often’.*
- *‘Condensation and mould growth is a major problem in a lot of hmo's. This is partly due to fuel poverty but I suspect more down to the number of adults living in a property that was not originally designed to house that many’.*

## Views on Energy Efficiency in HMOs

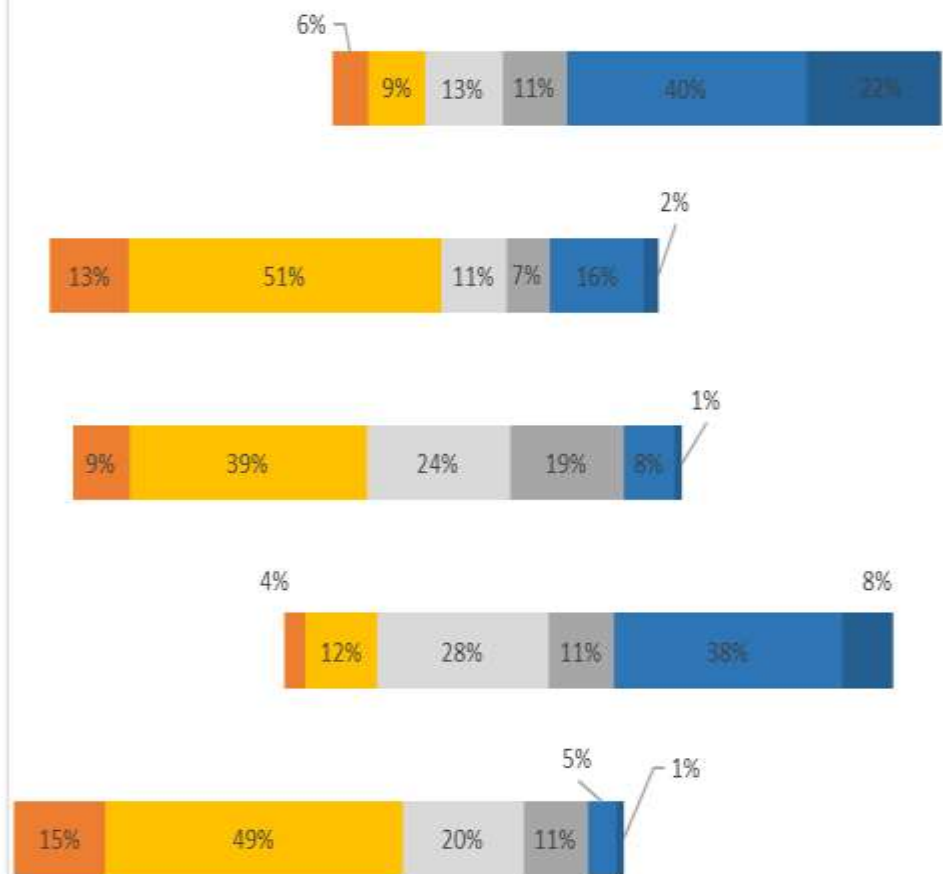
Energy bills are included in rent for most HMOs, so fuel poverty is not a relevant consideration

Many HMO units have such inadequate heating and insulation that it's just impossible for tenants to keep them warm and free from damp

Even though energy bills are often included in HMO rent, high heating bills often lead to higher rents and financial problems for residents

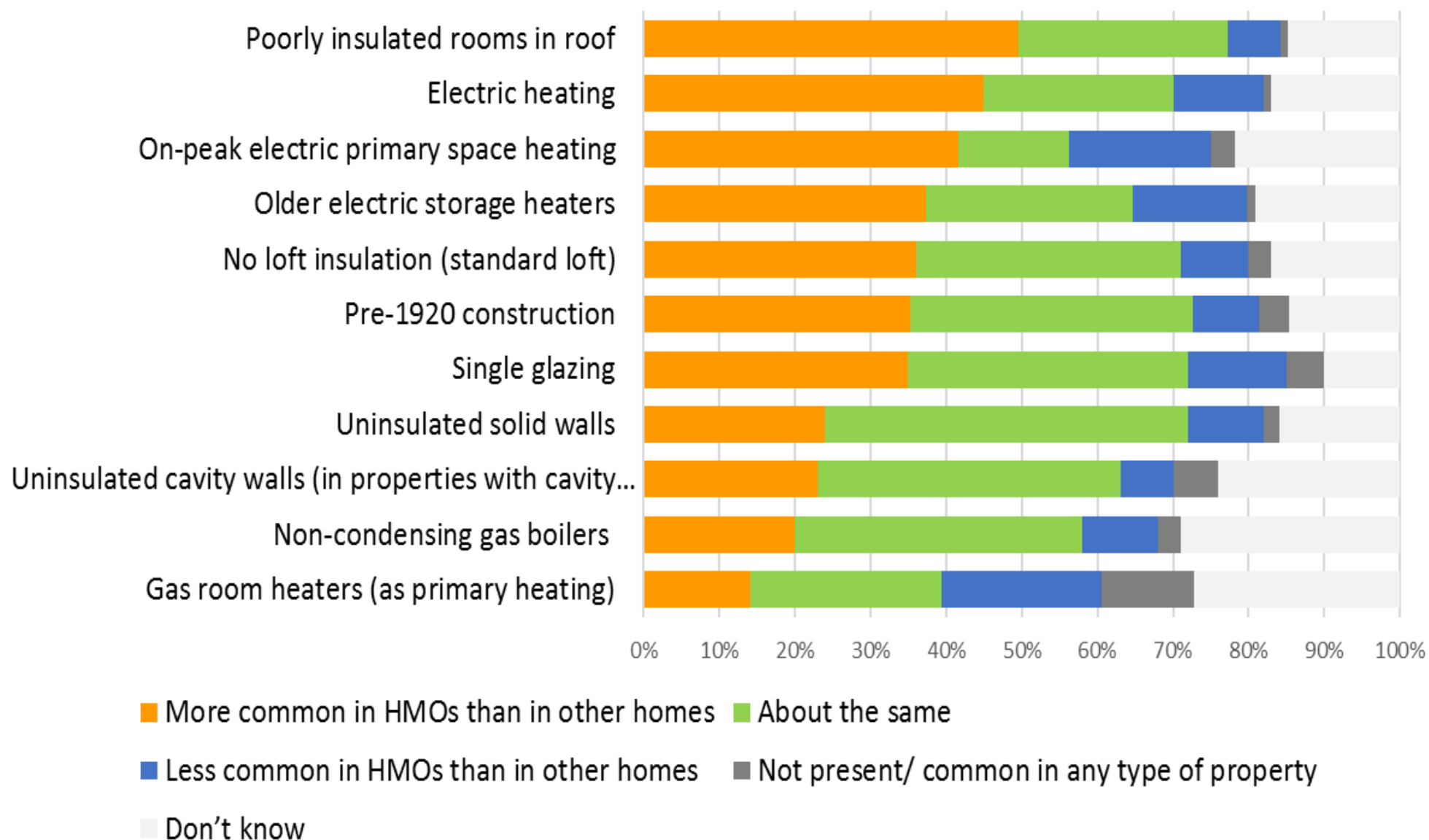
In my experience most HMO residents are able to adequately heat and light their rooms/shared spaces

HMO residents often can't afford to heat their rooms/shared spaces adequately



Strongly agree   Agree   Neither agree nor disagree   Don't know   Disagree   Strongly disagree

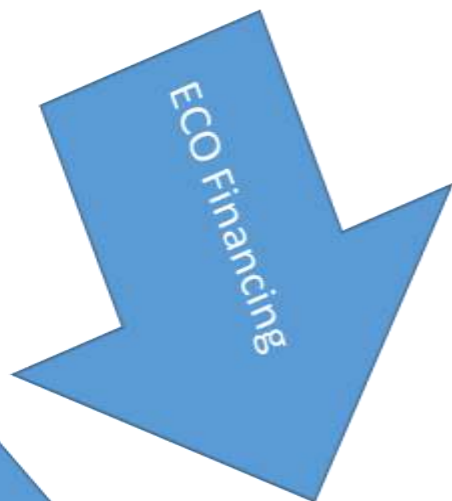
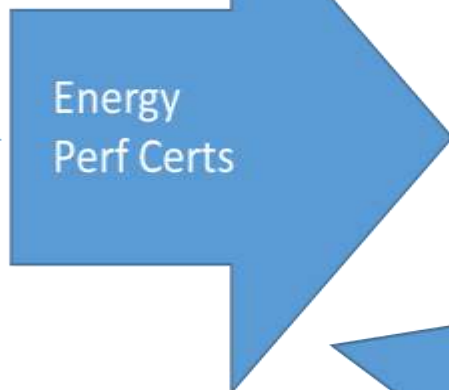
## Prevalence of energy efficiency problems in HMOs



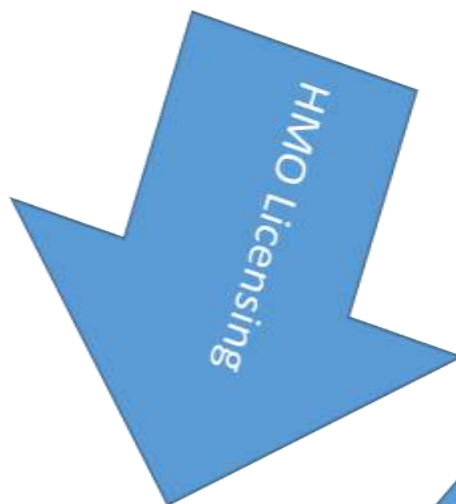


**Can be reinforced through:**

- Greater clarity in PRS EE regs about landlords responsibilities for Cat.1&2 hazards
- Clarity over EPC assessments in bedsits
- HMOs considered in ECO deemed scoring
- Requiring EPCs at point of letting HMO units



**Cold and energy inefficient HMOs**



**Can be reinforced through:**

- Extension of mandatory HMO licensing
- National management and facilities regs for HMOs that reference insulation and heating
- New operating guidance for HHSRS excess cold
- New guidelines, guidance & training for councils.

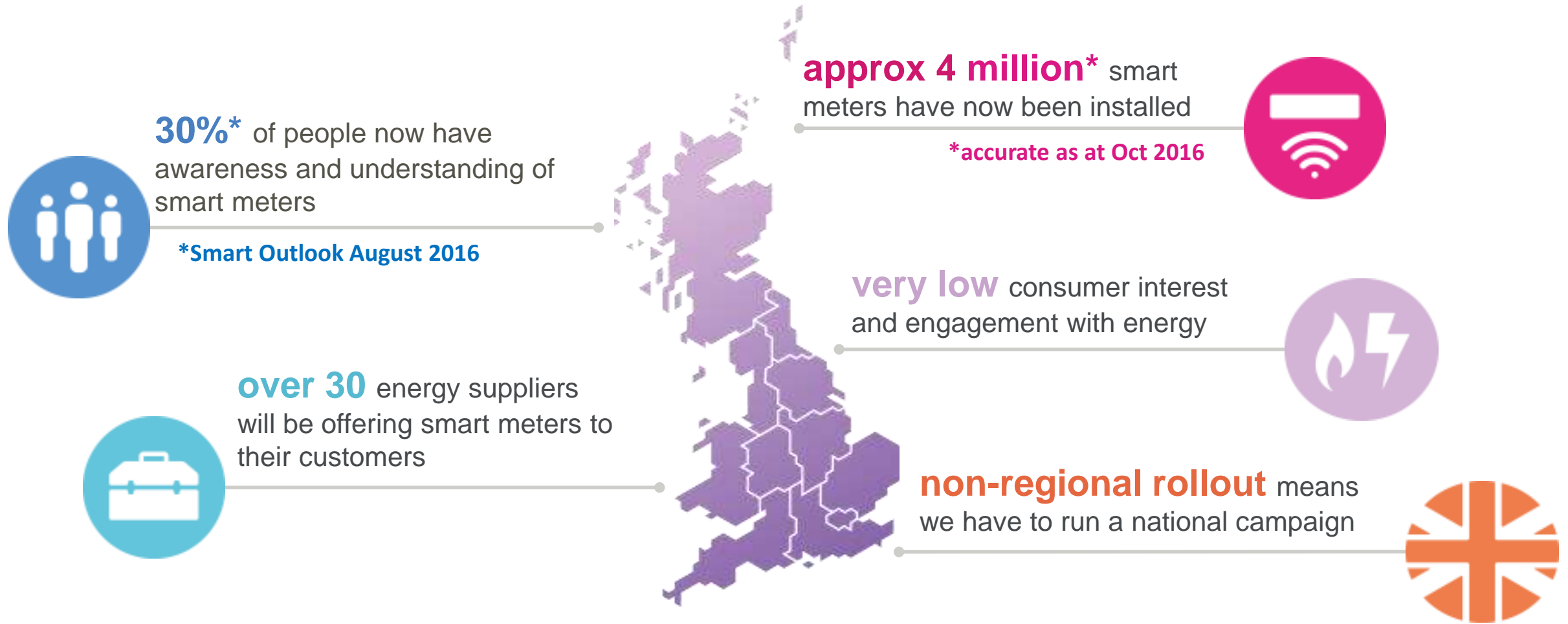


*National Energy Action*



*The power of the smart energy network*

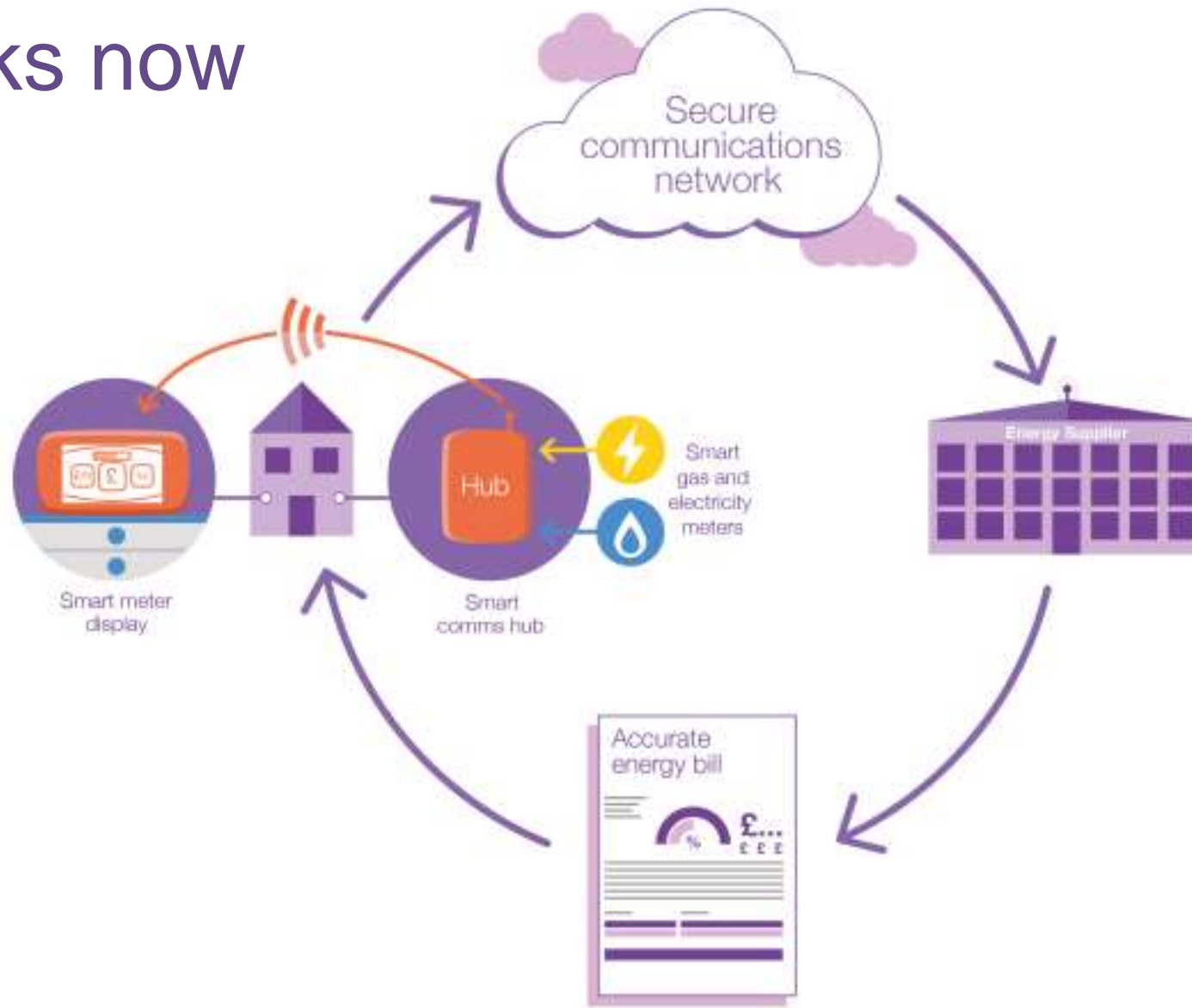
# the challenge



# smart meters



# how it works now



# the benefits of a smart meter and in-home display



As well as benefits to society, smart meters and in-home displays deliver important benefits to individuals:

- puts householders in control of their energy use
- no more estimated meter readings
- less erroneous billing – pay for what you use
- switching will become easier
- no up front costs for installation

# the benefits of a smart meter and in-home display - **prepay**



Smart prepay customers will also benefit:

- potential to unlock more competitive prepay tariffs
- post DCC – interchangeable mode between prepay and credit
- removing stigma of prepay – same meter
- overcome accessibility issues for top up
- increased variety of payment methods

# in-home display

Whilst all in home displays may look different, by law they must all display the same basic information:

- energy used in the last hour, week, month and its cost
- if electricity usage is low, medium or high
- updates in near real time for electricity and every half hour for gas

In addition smart meters for prepay customers must also show:

- how much credit you have left
- balance of emergency credit
- debt balance
- an alert if your credit is low



# smart metering installation code of practice

Under SMICOP energy suppliers and their installers need to abide by certain guidelines at each stage of the installation process:

- the visit
  - demonstration of in home display
  - written support materials to back up advice
- energy efficiency advice
- refer to additional, impartial sources of information
- marketing and sales not allowed
- vulnerability



# vulnerability

## - new definition

A customer is vulnerable, who, due to their Personal Characteristics or Circumstance, or otherwise being in a vulnerable situation, may require Priority Services or additional support.

Personal Characteristics or Circumstances includes:

- pension age
- chronically sick, disability, long-term medical condition
- impairment – including but not limited to a visual, auditory, literacy or mobility
- severe financial insecurity
- unable to safeguard their personal welfare or other members of the household

# Advice and Guidance for Landlords and Tenants

Downloadable Smart Meter Guides for HMO tenants:	Downloadable Smart Meter Guides for HMO landlords:
<ul style="list-style-type: none"><li>• Smart meter guide for tenant sharers who pay their own energy bill</li><li>• Smart meter guide for tenant sharers whose landlords pay their energy bill</li><li>• Smart meter guide for tenants living in bedsits or studio flats with their own pre-payment meters</li></ul>	<ul style="list-style-type: none"><li>• HMO Landlords' smart meter guide – HMOs where tenants pay energy bills</li><li>• HMO Landlords' smart meter guide – HMOs where energy bills are included in rent</li><li>• HMO Landlords' smart meter guide – bedsits/studio flats with individual pre-payment meters</li></ul>
<p>for information on submetering and large HMO/hostel situations see FAQs below</p>	
<p>Tell us how useful you found this information – complete our <a href="#">evaluation survey</a></p>	

<http://futureclimate.org.uk/smart-meters/>