

Homes Fit for Study research: Policy Briefing

Half of students living in cold homes

Building on our 2014 research, this year we completed research funded by the EAGA Charitable Trust to understand student experiences of using energy in the private rented sector. This research, including a survey and focus groups, has highlighted that students are vulnerable to experiencing living in cold homes.

Introduction

Fuel poverty, being unable to adequately heat your home, is a national issue that has negative consequences for health and wellbeing. The End Fuel Poverty Coalition has found that 4.5 million homes in the UK are 'fuel poor'. The UK ranks 14 out of 16 on levels of fuel poverty in Western Europe and comes last in Western Europe for the proportion of people who cannot afford to adequately heat their home.

While fuel poverty is most commonly reported on in relation to older people and those facing multiple disadvantage, our research shows that it is also an issue for a significant proportion of students. In our 2014 research 'Homes Fit for Study', which looked more broadly at the student experience of renting, we found that 39% were struggling with energy bills and 52% reported that they have felt uncomfortably cold in their current accommodation.¹ This initial research led us to look into the issue of student fuel poverty in more detail in 2017, particularly investigating behaviours related to fuel poverty.

In this research we have not aimed to define respondents using the official definition of fuel

poverty. The official definition relies on assessing household income, which can be difficult to measure given the variation in students' income, the cycle of loan payments and because of the living patterns of students. Instead we focused our research on experiences of living in cold homes.

The online survey research was completed in January 2017 with 2509 responses from students living in the private rented sector (PRS) (either renting from a landlord, or having a live-in landlord). We also carried out 6 online focus groups with students who live in the PRS and who reported that they live in a cold home. While the cost of energy can be an issue for many students in halls or purpose-built student accommodation, we have focused our research on students in the PRS because we know these properties are more likely to be hard to heat due to their poor energy efficiency.

The impact of living in cold homes

Focus group participants commonly reported feeling low and miserable, their mental health and wellbeing affected by living in a cold home.

¹ P4 Homes Fit for Study (2014)

"Sometimes in bed when it's bitterly cold we all feel like crying..." Woman, 3rd year, North East²

Participants reported that living in a cold home could place significant strain on social relationships within households, as a result of trying to negotiate variable financial capabilities and temperature preferences. Tactics used to cope with the cold also resulted in individuals feeling excluded.

"Makes me sad and lonely at times 'cause I have to always be in my bedroom under duvet." Woman, 3rd year, South West³

Students also reported an impact on their physical health, with increased frequency of colds and viruses being common.

"I had pneumonia in December -I'm fairly sure that was because of the cold." Woman, 2nd year, West Midlands

Impact on academic work was also reported, with participants struggling to work in the cold temperatures in their accommodation.

"It's also meant we can't work at home when we'd like as it's usually too cold to concentrate so we just get into bed." Woman, 3rd year, North East⁴

While students do not meet Ofgem's definition of vulnerability, and are often seen as less of a priority than other groups, our research shows that students are a group that is negatively impacted by living in cold homes.

Background and context

Before the 2017 election the Conservative Party promised an absolute cap on energy prices for 17 million customers on the worst value tariffs, similar to that introduced for pre-payment meters. However, the head of regulation at

USWITCH, an energy comparison site, has said they feel a cap would create higher prices in the long term, and entrench the position of the big six suppliers. These suppliers⁵ dominate the market and currently supply 95% of households. Last year the CMA completed a two-year enquiry into the state of energy prices. They opposed the idea of a price cap on standard variable tariffs (SVTs) because it would undermine competition in the market.

In December 2016 Ofgem⁶ said that 66% of consumers were still on expensive SVTs, and paying up to £260 a year too much. Since then, five of the big six suppliers have announced plans to raise their SVT prices, or have already done so. There is also some evidence that fixed-price deals have also risen, closing the gap with SVTs. It is unclear as to whether prices are rising because costs have increased for suppliers, or because they are anticipating a cap in the near future. Ofgem have said there is no justification for prices rising.

To date, there have been no concrete plans set out by the government to introduce a cap on energy bills, to the relief of the energy industry.

Cost of energy

British Gas has recently raised electricity prices by 12.5% as consumer experts warned this could prompt a new round of price rises from rival suppliers. The company, owned by [Centrica](#), left its gas prices unchanged, which means the average annual dual fuel bill would rise by 7.3%. The increase, which took effect on 15 September, affects 3.1 million customers.

Just under half of respondents in our research reported experiencing struggles with paying for their energy (45%); 13% said they faced a constant struggle to pay their energy bills. Linked to this, over half (59%) of respondents agreed that they limited the length of time they had the heating turned on to save money on

² P6 Homes Fit for Study (2017)

³ *ibid*

⁴ *ibid*

⁵ British Gas, EDF Energy, EON UK, Npower, Scottish Power, SSE

⁶ Ofgem is the Office of Gas and Electricity Markets - a non-ministerial government department.

energy bills.⁷ Focus group respondents revealed limited use of their heating systems compared to the UK average of eight hours a day⁸, with respondents commonly reporting around four hours of use during the winter. 68% used blankets or hot water bottles to stay warm because their accommodation was colder than they would have liked.⁹

"I have 2 student over drafts and 2 student credit cards and I work 3, 14 hour shifts a week. I still struggle, London is expensive." Woman, 3rd year, London, Separate billing¹⁰

Recommendations:

- We urge the government to recognise the rising cost of student living, and the impact this has on student attainment and wellbeing. When investigating the impact of higher tuition fees on student outcomes, we urge the government to consider this within the context of higher cost of living.
- Under their agenda to widen participation, institutions should consider what they can do to ensure that cost of student living does not deter students from enrolling in and continuing with higher or further education.

Lack of choice, control and transparency

In our research, 9% of students said they didn't have any control of the heating where they live, with some focus group participants noting that control was retained by their landlord. Changing energy suppliers and/ or tariffs was not commonplace amongst respondents, with under 10% reporting to have changed energy tariff in their current or previous accommodation (9%

and 8% respectively). Changing supplier was marginally more common with 15% saying they had changed energy suppliers in their current accommodation.¹¹

"Everything is under lock and key we have no access. We can't control the times but the radiators turn on for about 2 hours maximum when they do turn. We have to contact the agents or landlord who will send someone around with the keys to the padlock." Woman, 1st year, South East, Inclusive billing¹²

A common reason given by focus group respondents as to why they haven't changed tariff or supplier was a belief that they are not allowed according to their tenancy agreement. Under Ofgem rules, landlords and lettings agencies aren't allowed to specify that a tenant can't switch energy provider if that tenant pays the bills themselves.

"I've looked but not allowed by landlord." Woman, 3rd year, London, Separate billing¹³

"Our energy supplier is sorted through the letting agency so I don't think we can change it." Man, 3rd year, Scotland, Separate billing¹⁴

A number of students are unaware of the negatives of rent inclusive of energy bills in the private rented sector, including lack of control and potential overpayments. Two-fifths (40 %) of respondents in the private rented sector report having one or more bills included within their rent. Utility bills and internet are the most common inclusions, with water the most frequently reported (29 %), followed by electricity and internet (22 % each) and gas (21 %). Many respondents remarked that they had specifically sought houses where bills were included as this was considered more convenient for them. However, in many cases it is likely

⁷ P53 Homes Fit for Study (2017)

⁸ <https://www.gov.uk/government/publications/how-heating-controls-affect-domestic-energy-demand-a-rapid-evidence-assessment>

⁹ P54 ibid

¹⁰ P35 ibid

¹¹ P4 ibid

¹² P45 ibid

¹³ P31 ibid

¹⁴ P31 ibid

that this may work out more expensive than paying bills themselves, and gives less incentive to control energy use. 21% who underused energy were not offered a refund by their landlord.¹⁵

Reflecting on this, respondents who paid for their energy through inclusive billing were less likely to say they had felt much colder, compared to those who paid their bills independently of rent.

Recommendations:

- Students' unions and NUS should ensure students are aware of the consumer and tenant rights to have choice and control over their energy provider. Students should also be made aware that inclusive billing arrangements may not always be the most cost efficient, particularly if the landlord does not secure the cheapest energy deal.
- The government should require fuel companies to provide bill rebates for all low income consumers and stop companies charging unfair prices to consumers who pay by prepayment meter and who have not benefited from energy market competition.
- The government need to take action against, and resource local authorities to tackle, private landlords unlawfully prevent tenants from changing supplier.
- Where private landlords offer inclusive billing for both rent and energy, landlords should ensure that tenants understand what they are paying for. A transparent fair use policy should be in place to reimburse tenants where they use less energy.

Poor quality of housing

¹⁵ P28 ibid

¹⁶ P3 ibid

An Energy Performance Certificate contains information about a property's energy use and typical energy costs, as well as recommendations about how to reduce energy use and save money. An EPC gives a property an energy efficiency rating from A (most efficient) to G (least efficient). 21 million homes in the UK have poor energy efficiency (below Band C on an EPC).

It is a legal requirement that tenants are presented with an EPC for a property as part of the pre-letting process. However, our research showed that often student tenants are not being shown EPC for properties making it impossible to make an informed choice about whether to live there.

In our research we found 29% of students had requested an EPC but hadn't received one, and those who had felt uncomfortably cold in their accommodation were less likely to have received an EPC.¹⁶

"When we signed up [supplier] informed us would be roughly £30 a month and it's ended up being triple so we haven't always budgeted and it all comes out of mine so have to rely on flat mates sending me the money otherwise goes into overdraft."
Woman, 3rd year, South West, Separate billing¹⁷

As from the 1st April 2018 there will be a requirement for any properties rented out in the private rented sector to have a minimum energy performance rating of E on an EPC. The regulations will come into force for new lets and renewals of tenancies with effect from 1st April 2018 and for all existing tenancies on 1st April 2020. It will be unlawful to rent a property which breaches the requirement for a minimum E rating, unless there is an applicable exemption.

On 19 December 2017 Government launched a consultation exercise on proposals to amend the domestic regulations on energy efficiency in privately rented properties. A key proposal in

¹⁷ P35 ibid

this consultation is to amend current policy that landlords are mandated to make energy efficiency improvements, so long as they don't cost anything, and replace it with a 'landlord funding contribution' component.

To protect landlords from 'excessive costs', the consultation proposes the introduction of a cost cap: a limit on the amount any landlord would need to invest in an individual property of £2500. Current data shows that this cap would only fund improvements in 30% of substandard properties. NUS believes, and has been lobbying for, and that a higher cap of £6000 that would have significantly more impact in improving the energy efficiency of privately rented homes.

You can find the details of the consultation and how to respond, as well as a link to a template response for you to adapt and submit at the end of this briefing.

Poor insulation does not just mean higher energy bills. The most common problems faced by respondents in their current accommodation were damp or mould on walls or ceilings (38%), condensation (33%) and draughty windows and doors (30%). When asked elsewhere within the survey, and reflecting on their accommodation in general, almost half (49%) said their accommodation was poorly insulated and/or draughty. Those who agreed they had felt uncomfortably cold in their accommodation were more likely to say they had damp or mould on the walls and ceilings in their current accommodation (50%, compared with 26% who disagreed).¹⁸

"Mould in every room, no fire alarms, no door handle on the front door, leaking roof in kitchen in winter or heavy rain, extortionate rent, bad maintenance and contact with landlord, insecure doors and locks, bad house mates, 4 months with no working oven or washing machine...the list goes on and on! Don't move to London guys it sucks." Woman, 3rd year, London, Separate billing¹⁹

¹⁸ P42 Homes Fit for Study (2017)

¹⁹ P42 ibid

Recommendations:

- The government should improve the homes of all low-income households to the energy standards of homes built today (EPC Band C) by 2025 and make this a central element of its programme to address the lack of affordable housing in this country. This will result in dramatic improvements in comfort, health and quality of life and energy bill affordability for occupants.
- The government should make improving the energy standards of our homes a central priority for investment in the country's infrastructure and secure long-term funding for this. On a national basis, NUS will continue to lobby the National Infrastructure Commission to make energy efficiency a national infrastructure priority. Improving the energy efficiency of Britain's homes could cut household bills by around £370 a year, while reducing our reliance on gas imports by a quarter²⁰. It would also boost economic growth, create jobs in every constituency of the country and reduce pressure on health and social care services.
- NUS and students' unions should act locally to encourage the uptake of energy efficiency improvement schemes among landlords.
- The government should fully incorporate all types of houses in multiple occupation (HMOs) into Energy Performance Certificate requirements and ensure that the database of EPCs is updated on an annual basis to reflect changes in fuel costs. HMO tenants should have a right to see EPCs, when renting a property or a room within a property. The government need to take action to ensure landlords comply with

²⁰<http://www.endfuelpoverty.org.uk/author/efpc-admin/>

their duty to produce an EPC. The government should approve the proposal that landlords should make improvements up to £6000.

- NUS, students' unions and learning providers should work with students to encourage them to demand to see an EPC before renting a property and should also incorporate them into accreditation schemes.
- NUS, students' unions and universities should provide advice and support to students living in the private rented sector to equip them with the knowledge and skills to manage their energy usage in an efficient manner in order to minimise their exposure to fuel poverty.

Conclusion and what NUS are doing for our members

In addition to the particular recommendations above, we support the End Fuel Poverty Coalition in demanding a cross-departmental Fuel Poverty Strategy to end fuel poverty that sets targets for all relevant Government departments. In particular, this should address joint action to tackle cold-related ill-health, employment and income policies to make sure people have sufficient income to afford energy and other essential services and devolving power and resources to local authorities so that they can play a central role in delivering the Strategy.

NUS have:

- written to BEIS to urge them to approve the proposal for landlords to pay for efficiency improvements,
- lobbied the National Infrastructure Commission to make energy efficiency a national infrastructure priority,

- responded to the Industrial Strategy consultation to emphasise the importance of prioritising energy efficiency as a way to tackle fuel poverty,

NUS will:

- communicate our research findings through the APPG for students,
- Respond to the Minimum Energy Efficiency Standards consultation, demanding a cap of £6000 for landlords to improve the insulation of their properties, and support students' unions to do that same
- and ensure our Ready for Rent resources²¹ to include materials on consumer and tenant rights with regards to energy efficiency.

For more information

Government consultation on private rented sector energy efficiency levels can be found [here](#)

The NUS template response for you to adapt and submit is [here](#)

The consultation responses should be submitted via email to PRSconsult@beis.gov.uk

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²¹ www.readytorent.nus.org.uk