

# **SMART METERS AND HOUSES IN MULTIPLE OCCUPATION: GUIDANCE FOR HOUSING ENVIRONMENTAL HEALTH OFFICERS AND PRIVATE SECTOR HOUSING OFFICERS**

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## **Introduction**

Smart meters for gas and electricity will be offered to every UK household between now and 2020. This guidance is designed for council officers working with private rented sector housing and particularly houses in multiple occupation (HMOs). It is designed to:

- Help officers understand some of the specific opportunities and issues around smart meters in PRS and specifically HMO settings (where there can be many different energy bill payment and metering arrangements).
- Provide standard advisory text about smart meters that councils can include in licensing documents, facilities/amenity standard documents, partnership agreements with private landlords or other council documents targeted at HMO/PRS landlords.
- Encourage you to issue new guidance on smart meters to HMO/PRS landlords and tenants in your area. Future Climate guidance which you can use freely is available here: [www.futureclimate.org.uk/smart-meters](http://www.futureclimate.org.uk/smart-meters). Standard guidance on smart meters (designed for a general audience) is available from the Smart Energy GB Website ([www.smartenergygb.org](http://www.smartenergygb.org))

## **What is a smart meter?**

A smart meter is a 2-way metering device – it therefore enables the energy supplier to monitor usage remotely, removing the need for estimated bills or for a meter readers to visit the house. Every smart meter is issued with an in-home display device (one device per home for both electricity and gas use) which enables the household to track energy use and energy expenditure in their home.

## **Key facts about smart meters for council officers working with the private Rented sector**

Smart meters will help tenants (who pay their own bills) to save on energy bills, and will therefore help to reduce fuel poverty. A large amount of international evidence shows that better access to live information about how we use energy in the home does deliver small but significant energy savings - currently estimated at around £11 a year by the government. This is a small amount but should rise in time as smart meters will also unlock access to new energy and bill saving technologies and services such as new time of use tariffs (where householders pay less depending on the time of the day they use energy).

There is no charge for having a smart meter fitted (though the costs of the overall roll-out will be borne by all energy customers).

The installation of smart meters is undertaken by energy suppliers with their own customers. Different households in the same neighbourhood will therefore be offered smart meters at different times between now and 2020.

It is the bill payer's choice as to whether or not to agree to have a smart meter installed. However, tenants may be in breach of tenancy agreements if this happens without their landlords consent – it is

important in all PRS situations therefore that both tenants and landlords are happy to have the meter installed.

Smart meters remove the need for dedicated pre-payment meters. Using smart meters, suppliers are able to switch customers between pre-payment and contract arrangements remotely and will offer a wider range of pre-payment arrangements (eg via apps). The in-home display offers better tracking of energy spend and when to top-up for pre-payment customers.

The full technical and data-handling infrastructure around smart meters is not yet in place. However, this does not prevent most households from benefiting today from smart meters. There are some specific technical issues around the installation of smart meters in some blocks of flats, which are likely to apply to HMOs with multiple meters – installation of smart meters in these homes is likely to be delayed.

### Smart Meters and HMOs

HMOs have a variety of different payment and metering arrangements. The table below shows the benefits and issues for smart meters in different HMO situations.

Situation	Issues	Benefits for tenants
Shared house where landlord pays the energy bills	<ul style="list-style-type: none"> <li>• Tenants will need to allow the landlord and the energy company access to the home to install the meter.</li> <li>• Need for landlord to explain why the meter is being fitted to tenants.</li> <li>• The in-home display will only be useful to the tenants – landlords need to be encouraged to pass it to the tenants and encourage them to use it.</li> <li>• Landlords will not pay for the smart meter and should not increase tenants bills because it has been fitted.</li> </ul>	<ul style="list-style-type: none"> <li>• The information from the in-home display will reduce disputes with landlord – makes it easier for everyone to understand when and how energy is being used. In time, online tools/apps that use smart meter data should offer further benefits in this area.</li> <li>• Helps tenants avoid wasting energy – even without benefits in bills there are environmental benefits.</li> <li>• Tenants do not have to let the landlord or meter readers into the house to read the meters unless there is a maintenance issue.</li> </ul>
Shared house where tenants pay the energy bills	<ul style="list-style-type: none"> <li>• Tenants agree to installation but need to confirm landlord is happy – to avoid breaching tenancy agreement.</li> <li>• All the tenants in the house who share the costs of the energy bills should confirm that they are happy to have the new meter installed, regardless of whether they are named on the energy bill.</li> <li>• In home display only works in that home and</li> </ul>	<ul style="list-style-type: none"> <li>• Enables better control of energy bills. There will be no more estimated bills.</li> <li>• Tenants can switch more easily between pre-payment and contract arrangements to pay bills.</li> <li>• Likely that energy companies will offer different and more flexible payment arrangements (eg by smartphone apps) for pre-payment customers with smart meters.</li> <li>• Reduces disputes about energy use between sharers because in-home display provides better</li> </ul>

	tenants will need to pass it on to the next set of tenants when they move out.	information about how energy is being used. <ul style="list-style-type: none"> <li>• No need to let meter readers into the property regularly.</li> </ul>
HMOs with individual pre-payment meters in each tenants' unit and energy and gas use in common parts paid for by the landlord	<ul style="list-style-type: none"> <li>• Technical challenges for energy suppliers around multiple meters in multi-occupancy buildings.</li> <li>• Co-ordination of multiple meter replacements in one building challenging for suppliers and landlords.</li> <li>• Landlords will need to keep track of ensure the in-home display is passed from one tenant to the next.</li> </ul>	<ul style="list-style-type: none"> <li>• Like any other PRS household, tenants in bedsits can benefit from the information to manage their energy use better.</li> <li>• The in-home display will also give better information about prepayment status: how much credit is left, and how energy used affects the need to top-up.</li> <li>• It's likely that energy companies will offer different and more flexible payment arrangements (eg by smartphone apps) for pre-payment customers with smart meters.</li> <li>• Switch more easily between pre-payment and contract arrangements to pay energy costs</li> </ul>

### Submetering arrangements

As part of the smart metering roll-out the energy company will only be able to replace the meter that belongs to them and which measures the supply of energy from the national grid into the property. The smart meter installer will not replace any sub-meters, and it will be landlords' responsibility to ensure that sub-meters continue to work effectively with the new smart meters. Most landlords have now moved away from sub-meters in individual bedsits/studio flats, preferring individual pre-payment meters supplied by the energy companies.

### Large HMOs and hostels where all energy bills are managed and paid for by the landlord

Energy use in this situation is likely to be classed as non-domestic. Smart meters are only available for free as part of the national smart meter roll out for domestic customers. Contact your energy supplier to discuss how you can benefit from the latest non-domestic metering technologies.

### Points for council advisory documents

*Please note we do not recommend any mandatory requirements in e.g. HMO licences for smart meters to be fitted, at this stage. Some individuals have concerns about the data being collected in the new smart meter systems. While it is our view that there is robust data protection for householders around smart meters, the right to refuse to have a smart meter installed is an important part of the consumer protection that the government has offered households around the new meters.*

*You may wish to incorporate standard guidance for landlords and tenants issued by Future Climate (as part of our work with Smart Energy GB and which has been agreed with them) available from [www.futureclimate.org.uk/smart-meters](http://www.futureclimate.org.uk/smart-meters)).*

Suggested wording for advisory documents

Between now and 2020, energy suppliers will offer to replace all domestic gas and electricity meters with smart meters. Each home will be issued with an in-home display device, linked to the smart meter, to help residents monitor their energy use. Guidance on smart meters is available from Smart Energy GB ([www.smartenergygb.org](http://www.smartenergygb.org)) and – specifically for HMO landlords and tenants from Future Climate ([www.futureclimate.org.uk/smart-meters](http://www.futureclimate.org.uk/smart-meters)).

The council recommends that landlords should agree to, and encourage, the installation of smart meters in their rented properties. Where tenants are bill payers landlords should not unreasonably prevent tenants arranging for their gas or electricity meter being replaced by a smart meter.

If possible, both landlord and tenant(s) should be present during the smart meter installation, in order to benefit from energy efficiency advice and to be shown how to use the in-home display device.

Landlords should not seek to increase rent or increase fixed energy charges following the installation of smart meters.

When smart meters are installed, residents are provided with an in-home display device that helps them manage their energy use and energy spending better. Landlords should work with tenants to ensure that they know how to use the in-home display device and – at change of tenancy – ensure that this is left with the house and passed to next set of tenants. We recommend:

- Where landlords pay energy bills, adding the in-home display device to the property inventory
- Where tenants pay the bills, checking that the in-home display device is left with the property as part of a final property check.