NEA work across England, Wales and Northern Ireland to ensure that everyone in the UK can afford to live in a warm, dry home. The Fuel Poverty Strategy for England, Clean Growth Strategy and Conservative Manifesto recognise the need to enhance delivery of domestic energy efficiency improvements and the central importance of meeting statutory fuel poverty commitments. There has however been a dramatic drop off in delivery of home energy efficiency improvements and a failure to invest in domestic energy efficiency in recent years. This has a clear and incontestable cost and billions of pounds are currently being wasted across our health services and within cold, dangerous homes for millions of UK households. It also means the continuation of obsessingly high levels of needless premature deaths and high carbon heating which is not compatible with our climate change or air quality obligations. Now is a critical time to act; ahead of the upcoming Comprehensive Spending Review (CSR) and the UK Government revising the fuel poverty strategy which will both take place later this year.

Summary

- Homes that are impossible to affordably keep warm, kill at least 10,000 people in the UK every year
- Remaining energy efficiency programmes are valuable, but delivery has slowed by over 40% within nine years and there is a chasm between ambition and actual investment
- Central investment will be required to meet statutory targets and without it, the UK fuel poverty target of band C by 2030 will not be met in the lifetime of a child born today
- There is cross party consensus on the need for investment in energy efficiency and this provides strong returns of £3-4 pay-back for every £1 invested, alongside harnessing wider substantial macro benefits to UK PLC
- NEA agrees with the National Infrastructure Commission, Committee on Fuel Poverty (CFP), Energy UK and Citizens Advice and many other organisations that energy efficiency must become a national infrastructure priority
- The Committee on Fuel Poverty identify a £1bn gap to meet 2020 Band E milestone and £3bn to meet 2025 target
- In response, NEA is calling for the introduction if a new Clean Growth Fuel Poverty Challenge Fund providing necessary central investment to meet the near-term fuel poverty milestones
- The Fund would operate from late 2019 to 2025. It would aim to co-fund a range of sub-programmes to complement and compensate for current supplier-led assistance, by supporting new locally-led 'safety net' schemes. It would prioritise hard to heat homes and help low income households with long-term respiratory or circulatory health conditions receive priority assistance for energy efficiency measures.

In addition, whilst NEA believes improving the energy efficiency of homes continues to be the most cost effective and sustainable way to address these issues, there is also a need to directly reduce energy costs for low income working households. NEA therefore believes the Warm Home Discount scheme must continue for existing low-income pensioner recipients and be provided automatically to more low income working families, using powers under the Digital Economy Act to ensure better targeting. This can be achieved without increasing energy prices for other consumers and adjusting existing tax-funded support.

Conclusion

Our recommendations aim to increase the current rate of delivering energy efficiency improvements to ensure statutory requirements are met and enable the UK to harness the wider multiple benefits that will come with this enhanced approach. The need for these solutions is well understood inside of Government and, in many cases, they are neither novel nor contentious. But they need a step change in financial commitment from central government to unlock investment from other parties, existing programmes, enhance the effectiveness of existing regulations and current delivery vehicles.