



Action for Warm Homes

National Energy Action (NEA) briefing on Budget & Comprehensive Spending Review (CSR) representations 2021

About National Energy Action (NEA)

NEA¹ delivers vital practical assistance across England, Wales and Northern Ireland to ensure that everyone in the United Kingdom can afford to live in a warm, safe home. NEA works collaboratively with national governments, regulators and many private and public sector organisations² across the UK who are at the forefront of the recovery from the Covid-19 crisis and the transition to net zero.

Summary of our submissions

The upcoming months pose a significant challenge for the most vulnerable households across the UK. NEA believes urgent action is needed now to protect health outcomes and support the most vulnerable people who are at risk of needless death and cold related morbidity this winter³. Wholesale gas prices have reached record levels. In September 2021, month-ahead gas prices surged and are more than five times higher than a year ago⁴. When combined with soaring inflation rates of above 3%, and a reduction of £20 per week in Universal Credit⁵, the poorest households living in the least energy efficient homes will find increases to energy bills impossible to manage.

Without a suitable intervention, many will sadly not be able to heat or power their homes this winter and we could see a surge in preventable deaths⁶. Beyond premature death or needless ill-health, these challenges are likely to prompt other harrowing actions which will enhance risks to health and safety⁷.

It is imperative that the upcoming Budget provides emergency support for those most in need. Our Budget 2021 representation therefore recommends several ways to provide direct support to reduce bills for more struggling households this winter.

In summary our key proposals for the Budget are:

- 1. Provide additional funding towards the Warm Home Discount scheme this winter as an emergency provision to guard against significantly increased gas prices**
- 2. Support more households with the Winter Fuel Payment, especially for those eligible for the Cold Weather Payment in Northern Ireland**
- 3. Continue the Winter Grant Scheme through this winter**
- 4. Help accelerate the repayment of utility debts across the UK**

On 7th September the Chancellor also launched the Spending Review. NEA warmly welcomes that HM Treasury have committed to a three-year Spending Review. This will be critical if the Department for Energy, Business and Industrial Strategy (BEIS) is to access the necessary central resources that are desperately needed to accelerate efforts to end cold homes across the duration of this parliament and support a fair and affordable transition to net zero.

Our key priorities aim to reduce needless energy waste in our homes. Providing clarity on spending in this key area is just as vital as providing short-term support in the Budget. We have some of the least efficient housing in Europe⁸. This has left the UK more exposed to the current soaring gas price compared to many other countries and we are wasting billions of pounds each year as heat escapes through leaky roofs, floors and ceilings. The poorest are hit hardest, they disproportionately live in the least efficient homes. Addressing the challenge of our leaky homes must continue to be a key priority. Providing clarity on spending over three years can also provide the energy efficiency industry with a strong signal to invest in the supply chain and new green jobs. Alongside meeting the priorities set out above, increased economic support to the poorest households offers significant benefits to the UK as a whole. We therefore recommend that the UK Government also sustain the current uplift for Universal Credit (UC).

In summary our key proposals for this Spending Review are:

- 1. Fully implement the Conservative Manifesto for the Home Upgrade Grant Scheme (HUG) and Social Housing Decarbonisation Fund (SHDF)**
- 2. Ensure the Shared Prosperity Fund (SPF) helps end cold homes across the UK**
- 3. Extend and strengthen the £20 a week uplift in Universal Credit and Working Tax Credit for low-income households.**

¹ For more information visit: www.nea.org.uk.

² NEA is a membership organisation whose members include local authorities, housing associations, health agencies, charities, community. Private sector supporters include businesses with an interest in the domestic energy efficiency market including energy supply companies, scheme managers and consultants, boiler manufacturers, insulation and central heating installers and component suppliers, land developers and manufacturers of renewable technology products.

³ The main causes of excess winter deaths are attributable to respiratory and cardio-vascular diseases which are badly exacerbated by cold conditions. Other causes may include influenza, trips and falls or in a small number of cases, hyperthermia. Public Health England cites studies that 10% of excess winter deaths are directly attributable to fuel poverty and that a fifth of EWDs are attributable to the coldest quarter of homes. This was regarded as a 'conservative' estimate as separately the World Health Organisation stated that 30% is the best estimated share – based on European evidence – of EWDs that can be considered attributable to cold housing conditions. This suggests that poor energy performance – manifested in homes that are hard and/or expensive to heat, thereby exacerbating the risks of respiratory and circulatory problems and poor mental health – is a significant contributory factor to the number of EWDs in the UK.

⁴ The current GB-wide price cap is providing some temporary relief; it is expected that further significant rises will be announced in February.

⁵ Please note that proposals for maintaining the uplift to Universal Credit are included within our Spending Review proposals.

⁶ Over the last five winters, we estimate the number of excess winter deaths in the UK due to a cold home is approximately 10,000 per year. In 2017/18, the number of excess winter deaths (EWDs) across England and Wales exceeded 50,000, the highest recorded for over 40 years. While the causes of EWDs vary each year, we estimate one of the largest contributors to these needless deaths is vulnerable people, often struggling with existing ill-health, being unable to heat their homes adequately, if at all.

⁷ Unsafe coping tactics such as cooking on open fires, blocking up ventilation to stay warm which will result in increasing strain on Fire and Rescue services or lead to prolonged loss of space heating and hot water which will detrimentally impact on a household's health and wellbeing, again putting needless strain on health services especially during winter.

⁸ The Cold Man of Europe, Energy Bill Revolution/ACE, 2015 <https://www.nea.org.uk/wp-content/uploads/2020/11/ACE-and-EBR-briefing-2015-10-Cold-man-of-Europe-update.pdf>