National Energy Action (NEA) Budget submission 2021

About National Energy Action (NEA)

NEA[1] delivers vital practical assistance[2] across England, Wales and Northern Ireland to ensure that everyone in the UK can afford to live in a warm, safe home. NEA works collaboratively with many private and public sector national and local organisations[3] who are at the forefront of the current Covid-19 crisis and the transition to net zero.

Summary of our Budget representation

Urgent action is needed to improve health outcomes and support the most vulnerable people who are at most risk of needless death and morbidity[4]. Public Health England (PHE) recently warned there is a clear overlap between cold homes and Covid-19[5] and it is more important than ever that the most vulnerable members of society can afford to live in a warm, safe home.

Following positive progress[6] in the 2020 UK Government Spending Review, in the last quarter of 2020, the UK Government released two wide ranging energy policy documents[7] that set out plans and actions for decarbonising our energy system up to 2020s to achieve net zero carbon emissions in 2050 and put affordability at the heart of energy transformation - the Prime Minister’s 10-Point Plan for a Green Industrial Revolution and the Energy White Paper. Taken together, these two documents provide the blueprint for energy policy throughout the 2020s and therefore what to expect from UK Government decision-making for the remainder of this Parliament and beyond.

Our Budget submission builds on these recent positive policy developments and highlights where key actions remain and must be taken within the upcoming Budget.

Our key proposals

1. **Commit the remaining budget for the Home Upgrade Grant scheme & Social Housing Decarbonisation Fund for the remainder of this Parliament.**
2. **Help accelerate the repayment of utility debts across the UK by enhancing Fuel and Water Direct**
3. **Extend and strengthen the increase to Universal Credit (UC)**

Strategic case: Delivering on energy efficiency throughout the remainder of this UK Parliament

The UK Government recognises the critical importance of addressing needless energy waste in our homes. On the 18th November 2020, the Prime Minister set out his 10-point plan for a Green Industrial Revolution. The Greener Buildings priority in the 10-point plan focussed on supporting fuel poor and vulnerable households to heat their homes more affordability, with key actions to improve domestic energy efficiency. It committed to:

- Transforming the lives of low-income homeowners who live off the gas grid, particularly in rural areas, through the new Homes Upgrade Grant (HUG).
- Extending the Energy Company Obligation (ECO) to 2026, so energy suppliers can continue to help low-income and vulnerable consumers to improve the draughtiest and coldest homes.
- Committing further funding for the Social Housing Decarbonisation Fund to continue upgrading the least efficient social housing.
- Strengthening energy efficiency requirements for private sector landlords through new private rented sector minimum energy efficiency standards (PRS MEES).
- Extending the Green Homes Grant (GHG)[8].

This welcome package of measures commits the UK Government to significant investment to help fuel poor households to upgrade their homes. Following on from the 10-point plan, on the 18th December 2020, the Department for Business and Industrial Strategy (BEIS) released the long-awaited Energy White Paper, adding a further layer of detail. It stated: "*the next iteration of ECO will run from 2022 to 2026 and will focus primarily on improving the worst-quality homes across Great Britain, complementing the upcoming Home Upgrade Grant scheme in England and equivalent schemes in the Devolved Administrations. The Home Upgrade Grant scheme will upgrade the energy performance of the worst-quality off-gas grid homes in England by supporting the installation of energy efficiency measures and low-carbon heating. Both schemes will focus support on low-income households*". Overall, the White Paper commits the UK Government to providing at least £6.7 billion in support to the fuel poor and most vulnerable over the next 6 years.

In addition to these important policy developments and investment commitments, two other key energy strategy documents are due to be released in early 2021 - the revised Fuel Poverty Strategy for England[17] and the Heat and Buildings Strategy[18]. These upcoming strategies will be vital in addressing how the UK Government intends to deliver on the statutory target for all fuel poor homes in England to reach Energy Performance Certificate (EPC) band C by 2030 and the milestones for all fuel poor homes to reach band D by 2025 and the now lapsed milestone of E by 2020, which the Committee on Fuel Poverty have stated was not met.[19]

For the UK Governments to honour their statutory duties and the deliver on the recent welcome pledge to put affordability at the heart of energy transformation, Budget 2021 will be vital. NEA is therefore urging HM Treasury to set out future spend for domestic energy efficiency for the remainder of the UK Parliament and provide clarity on the remaining budget for the Conservative Manifesto pledges for a £2.5bn Home Upgrade Grant Scheme (HUGs) alongside a £3.8bn Social Housing Decarbonisation Fund. This will help to 'pump prime' the wider deployment of energy efficiency measures and low carbon heating as part of an ambitious programme of work required to achieve the mass transition to low-carbon heat and set us on a path to decarbonising all homes and buildings.[20] It would also help deliver the ambition to reach 600,000 heat pump installations per year by 2028, creating the supply chain to deliver wider market-led incentive frameworks in able to pay households, further driving growth, alongside other schemes such as the ECO scheme and the Green Homes Grant.[21]

Why action on warm homes matters

- Living in cold, damp and unhealthy homes causes unnecessary hardship and premature mortality.
- Across the UK, the number of excess winter deaths (EWDs) due to a cold home is estimated at approximately 10,000 per year[9] over the last five years
- Even before the impact of Covid-19 EWDs increased by over 30% in England and Wales[10] in the winter 2019/2020
- In 2017/2018, the Beast from the East led the number of EWDs across England and Wales to exceeded 50,000, the highest recorded for over 40 years[11]
- Millions of people face every winter in properties which are dangerous or unfit for colder seasons and one in ten households in England still live in fuel poverty, meaning they live below the poverty line but also have much higher bills due to poor levels of energy efficiency[12]
- In a recent report[13], NEA found that COVID-19 had created difficult conditions for fuel poor households, driven by an increase in energy use, due to more people spending more time at home, and a reduction in income, as many jobs were either lost or placed on furlough
- The same research[14] found that three quarters of frontline organisations say there was a high risk of the increased building up of fuel debt this winter, as a direct result of the pandemic
- Independent analysis suggests that, during winter months, families in cold, leaky homes are facing heating bills on average or £124 per month, compared with £76 per month for those in well-insulated homes (£ 50per month[15])
- NEA's YouGov research has demonstrated strong public support for fixing Britain's cold, leaky housing, and a fair transition to net zero with three in four people supporting the UK Government urgently investing to improve home energy efficiency and two thirds supporting the local jobs this could create[16]

Increasing public investment on energy efficiency can also:

- **Reduce the burden on the health system and increase the quality of service in the NHS**
- **Strengthen the economic recovery**, supporting long term jobs. According to BEIS, the GHG will support 100,000 jobs in green construction[22]. Additional funding for fuel poor households to upgrade their homes could help support these jobs well into the 2020s. The skills required for these jobs will equip the workforce for further progression towards net zero, as more homes look to increase their energy efficiency after the fuel poverty target has been met.
- **Improve economic circumstances across the nation**. The need for energy efficiency upgrades is well spread out across the UK. Public money spent on energy efficiency in this way means money saved for householders. This saving means more spending power, which often means greater spending in local areas, helping to 'level up' local economies. As fuel poor homes are often found in areas that have suffered detriment, this has the effect of increasing economic activity in those areas that need it most.
- **Strengthen research, innovation (tin the form of technological, financial and regulatory innovation) and manufacturing bases**, all of which will be needed for a successful national rollout of energy efficiency upgrades.
- **Strengthen the UKs international standing** through a demonstration of credibility in meeting our net zero, and fuel poverty targets, ahead of next years' COP26. This has the potential to galvanise other nations in their attempts for reducing emissions and achieving a green recovery.

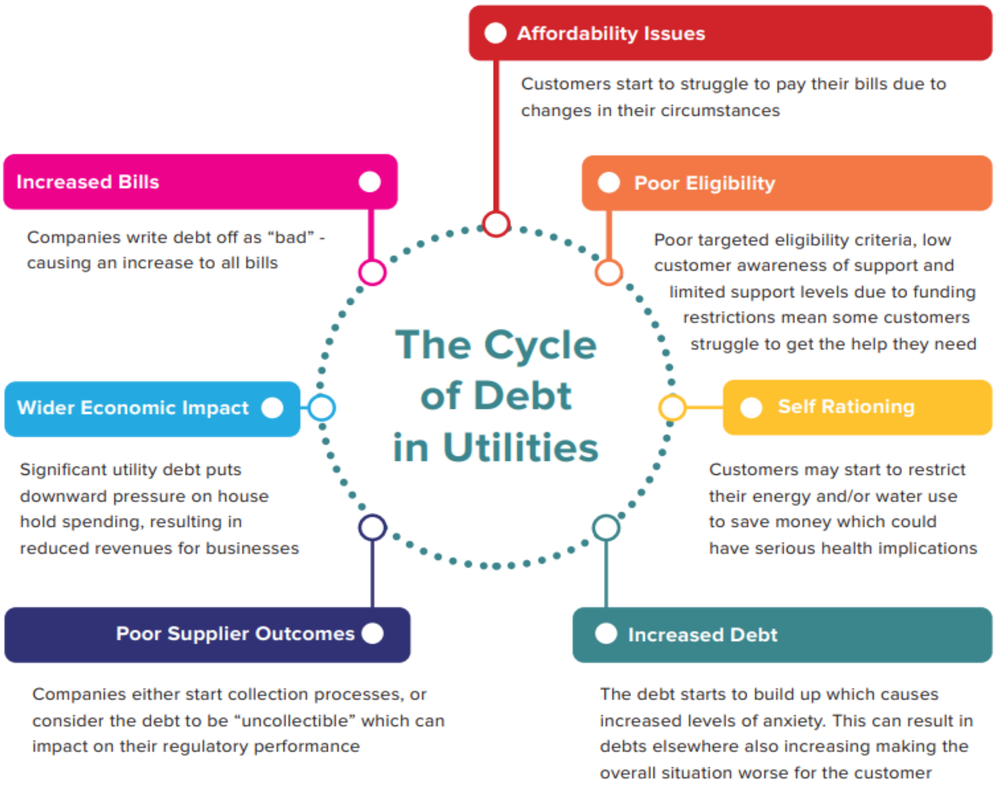
Strategic case: Boosting incomes and addressing utility debt

To date, the UK Government has adopted a progressive approach to addressing the direct financial impact of the crisis on household incomes[23]. It is critical that this approach is maintained and strengthened. Within the previous Spending Review, NEA and a wide number of cross-party MPs, charities, think tanks and celebrities called on the UK Government to extend and strengthen the increase to Universal Credit for low-income households as well as addressing other key gaps in provision to mitigate the financial impact of the crisis on the poorest households[24]. Within this submission we repeat this call and underline the urgency of providing UC recipients with vital clarity on this matter. We also urge HM Treasury to ensure low-income UC claimants are not asked to pay back funds that have been provided due to DWP administrative errors.

Alongside boosting incomes, a further key strategic priority is to directly address growing utility debt. According to the Office for National Statistics (ONS)[25], even before the devastating impact of Covid-19, the poorest 10% of households in Great Britain had debts three times bigger than the value of the assets they own. NEA's recent report "*Surviving the Wildness: The landscape of personal debt in the UK*[26]" highlighted UK household debts owed to government and utility providers are soaring due to the impacts of Covid, with an estimated 2.8 million people falling into arrears, 1.2 million with their utilities, 820,000 with their council tax, and 590,000 with their rent; and 3.8 million people having to borrow to make ends meet.

Last summer, the Chancellor provided a £38 million support package for debt advice providers helping people affected by Coronavirus. The energy regulator Ofgem has also announced positive changes to ensure all energy suppliers across Great Britain provide more support for customers struggling in debt, identify pre-payment customers who run out of energy credit and offer appropriate forms of advice and support. Whilst welcoming these moves, NEA stresses that more help is needed. Alongside ensuring that both water and energy regulators encourage greater consistency of current provision in this area[27]. NEA is calling on the UK Government to directly support low-income households to accelerate the repayment of household debts.

As well as the positive impact addressing utility debt can have on individuals, reducing utility debt has significant benefits for both utility suppliers and the wider economy and breaking the debt cycle, illustrated below.



Alongside helping to meet the fuel poverty strategy, increased economic support offers significant benefits to the UK as a whole:

- **Achieve regional prosperity**, through targeting financial support where it is needed most, the economic benefit will be felt locally in local economies.
- **Providing targeted support for struggling utilities.** Reducing utility debt has significant benefits for both the supplier and the customer, and both have an active role to play in breaking the debt cycle illustrated above.
- **Reduce the burden on the NHS**, through reducing the likelihood of energy rationing practices and achieving healthier homes, which in turn lead to healthy people and reduced impacts rates of respiratory and cardiovascular illnesses.

Detail of our key proposals

1. **Fully implement the new Home Upgrade Grant Scheme (HUGs) in fuel poor homes and the Social Housing Decarbonisation Fund (SHDF) this Parliament**

As noted above, NEA warmly welcomed the Conservative party manifesto pledge to invest £2.5bn on a new Home Upgrade Grant scheme (HUGs) in fuel poor homes. This aim was reaffirmed in the Queen's Speech, the Prime Minister's 10 point plan and in the Energy White Paper. NEA underlines our support for the new HUG scheme and the commitment within the SR for £150 million to fund the first year of HUG from 2021-2022. It is however critical progress towards statutory fuel poverty targets is made throughout this parliament. This will help maintain a vital lifeline for jobs in the energy efficiency industry once the furlough scheme ends, continue to help address regional variances in economic deprivation and provide a major stimulus to the economy. These actions would also help to provide active referrals to many existing health and housing schemes, reduce poor air quality which also damages respiratory health and reduce carbon emissions to make a direct contribution to meeting the UK Government's goal of becoming net zero.

The table below highlights the implications to HM Treasury of committing the remaining budget for the £2.5bn Home Upgrade Grant scheme alongside a £3.8bn Social Housing Decarbonisation Fund, including the likely effectiveness and value for money, macroeconomic implications for economic stability and growth.

	Fully implement the new Home Upgrade Grant Scheme (HUGs) in fuel poor homes and the Social Housing Decarbonisation Fund (SHDF)
Likely effectiveness and value for money	Upgrading energy efficiency is the single most effective way of reducing fuel poverty and several co-benefits, including energy savings that could mean a reduction in the need for energy generation, reduced energy bills, more jobs, economic growth, an increase in competitiveness, NHS savings and an increase in air quality[28]. As suggested in the Houses of Parliament briefing "Future Energy Efficiency Policy", for every £1 spent on energy efficiency, GDP could be increased by £3.20.[29]
Cost Implications for the Exchequer	Discounting the £150 million to fund the first year of HUG from 2021-2022, the remainder of HUGs would cost an additional £2.35bn over a five-year period with the remaining years of this Parliament costing £260m in 2022/23 and £370m in 2023/24. SHDF would cost £3.7bn over a 10-year period in addition to the already committed sums.
Wider macroeconomic implications (for economic stability and growth)	Reducing energy costs for the poorest households helps reduce energy arrears and stimulates spending on other essential goods and services. It can also have a positive impact on health and well-being, reducing the stress on current tax-funded services.
Sectorial and distributional impacts	The proposals would help those households that are worst affected by fuel poverty. The benefits would therefore be progressively distributed from an income decile point of view as fuel poor households are defined as suffering detriment and finding energy bills unaffordable.
Environmental impact	The environmental impact will be similar to that seen within the ECO scheme, which has a total environmental value, derived from reduced carbon and other harmful emissions, of 46% of total spend.[30]

2. **Help accelerate the repayment of utility debts**

NEA highlights a major opportunity to reinvigorate both Fuel Direct and Water Direct. Under their supply licences, electricity and gas suppliers are required to offer domestic customers in payment difficulty a range of options for repayment, including the option of paying via Fuel Direct. Fuel Direct is a budgeting scheme that lets money be deducted directly from a customer's social security benefits[31] to pay off a debt or energy use to a supplier. A fixed amount is taken directly from the customer's weekly benefits by the Department of Work and Pensions (DWP) and paid to the supplier to help clear a debt. A very similar scheme, Water Direct, is operated by water companies. As with the energy sector, customers generally must be in debt and on benefits for an arrangement to be set up, although some water companies allow customers to continue to use the facility to pay for their utility costs after debts are repaid[32]. Currently limits apply to the amount which companies are permitted to collect from benefits[33] with five per cent of the standard allowance (plus an estimated amount for current consumption) being netted off for both energy and/or water costs.

The latest data on both schemes is not currently publicly available but by the end of 2019/20, 171,776 customers were paying water charges by Water Direct. This was down by 7% on the previous year. Comparable and up to date information is not currently available for the energy sector but there has been a sharp decline in the number of customers paying via Fuel Direct since a peak in 2011. The numbers of customers have reduced from around 39,000 electricity customers in 2011 to around 27,000 in 2015 and around 42,000 gas customers in 2011 to around 26,000 in 2015 (the last year records are publicly available). Very few customers are paying back debt with Fuel Direct compared to the numbers in debt to their supplier and how few customers appear to be paying back debts with both utilities using both Fuel and Water Direct. This is considered to be due to low awareness amongst front line staff of the scheme overall, how it operates and in some instances the complexity of making an application. This is however also due to the low level of repayment weekly payments which means debt is sustained over a much longer period. In addition to these historic issues, over the last year, the scheme (along with applications for other third-party deductions) has also been suspended or not actively promoted due to the coronavirus pandemic and the strain that has placed on DWP's Universal Credit Service Centre's administration processes as more than 1.4 million have applied for the benefit for the first time.

As well as driving up awareness of the respective services and streamlining the application process, the UK Government should consider promoting the benefits of the scheme to customers who are in debt to both utilities and adopting new mechanisms to accelerate the clearance of utility debt within the schemes. This can be achieved by matching the contribution customers make to paying off their debt from their benefits. This could be matched £1 for £1 by the Government for both energy and water debts albeit, these ratios could be adapted depending on the limitations of the budget for this area. As a minimum, matching debts £1 for £1 would help customers clear their debts in half the time[34] without creating significant administrative overheads for either the DWP's Universal Credit Service Centre or utility providers.

The criteria to access this accelerated payment plan could also be developed further to reward customers who have already demonstrated a commitment to pay off their debts themselves with the promise to write-off any remaining debt at the end of an agreed period. Another less ambitious alternative would be for the Government to fully subsidise the customers' paying off their debt from their benefits with the current contribution being instead paid by central government. This option could especially be considered for customers who are subject to benefits sanctions and are therefore at risk of defaulting on their payments under Water or Fuel Direct (or for new applicants of eligible benefits who register with Fuel or Water Direct shortly after clamming benefits for the first time but are subject to delays receiving their first UC payments). This would not accelerate the clearance of utility debt, but it would help ease the range of pressures that indebted customers on benefits face which can prompt serious implications on mental and physical health[35]. Providing debt support through Fuel and Water direct is well targeted, with only those households that are both in debt, and on low incomes able to access this support.

In order to develop this option, the Government should immediately seek updated data on how many customers are currently using Fuel and Water Direct to pay off an energy or water debt. This would provide an accurate baseline for predicting the cost of matching current service user's payments. The Government should also seek views from DWP, Ofgem, Ofwat and energy and water suppliers (via their representative bodies) on current barriers that are currently preventing access and uptake of the schemes, how processes could be streamlined and how more collaboration could be forged across the two schemes (referral pathways etc). This information could then be used to develop a consultation on how to enhance the schemes. It would then be possible to make the necessary alterations to the regulations governing the limits on the amount which can be deducted from benefit and paid to creditors[36] to allow for a third-party contribution by the UK Government and then update the related DWP guidance for third party payments for creditors and suppliers[37] so that the roles and responsibilities for organisations and individuals are clear. It would then be possible to raise awareness of the scheme and ensure suppliers (especially in the energy sector) are referring more households for the support in line with their new ability to pay principles which should be in place by this coming winter[38]. Another key priority is to enhance reporting of both schemes so that it is possible to accurately track how many indebted customers are taking advantage of the enhanced service.

Summary of Value for Money (VFM) and implications to HMT – Debt repayment and UC uplifts

Income and Price Support Proposals	Debt repayment	Maintain Universal Credit Uplift
Likely effectiveness and value for money	Using Fuel and Water Direct as a method for accelerating repayment of utility debt enables Government to use the current administrative and governance structures to deliver targeted support to those in financial difficulty	The current uplifts has been effective in providing additional support and beyond the required budget, there are no additional challenges identified to sustain this positive intervention.
Cost implications for the Exchequer	This is dependent on the level of support the UK Government would wish to provide alongside customers contributions via benefits and more recent updates on how many and how much customers are currently paying back under Fuel and Water Directs schemes.	The cost of the uplift in universal credit is approximately £7bn/ year[39]

Administrative and compliance costs and issues	There are no significant administrative overheads for either the DWP's Universal Credit Service Centre or suppliers	No additional administrative costs from what has already been implemented
Legislative and operational requirements	As noted above, it would be necessary to make alterations to the regulations governing the limits on the amount which can be deducted from benefit and paid to creditors	No additional legislation is required

Conclusions

NEA underlines our support the UK Government's recent positive policy developments however for progress to be sustained and address wider gaps in provision, the upcoming Budget provides a critical opportunity to create warmer and healthier homes, help stimulate the economy, reduce poor air quality and reduce carbon emissions. NEA would welcome meeting with HM Treasury officials or Ministers in the coming weeks to ensure these priorities are reflected in the Budget on 3 March 2021.

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

[2] Demonstrating the severe impact of the pandemic on fuel poverty, our impacts from the 8 months of April-November 2020 included:•3340 people provided with one-to-one energy advice, including financial gains of £343,000•1077 clients helped with welfare benefits advice, with 315 provided with full claimssupport resulting in benefit gains of £1,645,276•1100 pre-payment meter top-up vouchers provided at a value of £159,294. Our key impacts from 2019-20 included:•6,000 people provided with advice and support•1300 clients helped to access £5.5 million welfare benefits•200 energy efficiency and heating measures installed•79 groups provided with smart meter-based activities benefiting thousands of people over the age of 65•3,243 people trained, who in turn will support more than 1 million people•643 school children participated in our education programme

[3] 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.

[4] 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.

[5] Within the document they highlight why tackling cold homes should be a priority to protect older people, people with pre-existing chronic medical conditions such as cardiovascular and respiratory conditions, in particular chronic obstructive pulmonary disease (COPD) and asthma, and diabetes, people assessed as being at risk of or having had recurrent falls, people who are living in households experiencing fuel poverty and people experiencing homelessness or rough sleeping. The document goes on to add that many of these groups are also at greater risk of severe illness from COVID-19. See: https://www.gov.uk/government/publications/health-matters-cold-weather-and-covid-19/health-matters-cold-weather-and-covid-19

[6] On the 25 November, the Chancellor revealed his Spending Review, setting capital spending limits for UK Government departments for the forthcoming year (2021-22) and beyond. The Prime Minister's 10-point plan had largely trailed the most significant relevant spending commitments noted in the previous summary, but it did provide clarity on split of £1bn for energy efficiency (with £320 million of funding in 2021-22 for the extension of GHG and LAD and £150m to be spent on the Homes Upgrade Grant between 2021-22 which will "help some of the poorest homes become more energy efficient and cheaper to heat with low-carbon energy"). A further £60 million was provided to retrofit social housing and kept in play one of our key asks to ensure the new Shared Prosperity Fund can fund energy efficiency improvements across the UK nations. NEA was however disappointed that the Chancellor failed to commit to permanently extending the current uplift to Universal Credit and we will be working with campaign partner to secure this commitment in the March Budget. The March Budget will also decide future spend for energy efficiency for the remainder of the UK Parliament.

[7] On the 14th December, the UK Government published their long-awaited Energy White Paper with a pledge to put affordability at the heart of energy transformation. As well as steps to stop suppliers putting loyal customers on to the worst deals when their current contracts come to an end, NEA welcomed confirmation of one of our key advocacy priorities; to extend and expand the GB wide Warm Home Discount until at least 2026. The overall programme will increase by £125 million per annum and will also be expanded by increasing the number of obligated energy suppliers. The UK Government also confirmed they will set out further details on how they will meet their statutory fuel poverty commitments in the Fuel Poverty Strategy for England and Heat and Buildings Strategy, by this Spring. Overall, they say the UK Government are committed to providing at least £6.7 billion in support to the fuel poor and most vulnerable over the next 6 years.

[8] On the 8th July, the UK Government started to respond to these crucial issues and confirmed they will invest £2 billion to improve home energy efficiency in England through a new voucher scheme - the Green Homes Grant (GHG). About half of the fund is aimed at supporting the poorest households, who will not have to contribute anything to the cost of energy efficiency measures. While most of the budget for the new grant is directed at the new vouchers for home improvements, it is welcome that local councils are also at the heart of the UK Government's implementation plan. In total £500m will go to local authorities over two years - £200m this financial year and £300m next financial year with the first tranche of funding for local authorities accessed through a competition.

[9] Over the last 5 years, there has been an average of 35,562 excess winter deaths. NEA estimates that approximately 30% of these are attributable to the impact cold homes have on those with respiratory and cardio-vascular diseases and the impact cold has on increasing trips and falls and in a small number of cases, direct hyperthermia. This is in line with estimates made by the world health organisation - http://www.euro.who.int/__data/assets/pdf_file/0003/142077/e95004.pdf

[10] Office for National Statistics, November 2018, see: https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/bulletins/excesswintermortalityinenglandandwales/2017to2018provisionaland2016to2017final

[11] Office for National Statistics, November 2018, see: https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/bulletins/excesswintermortalityinenglandandwales/2017to2018provisionaland2016to2017final

[12] For the English fuel poverty definition and statistics, please visit https://www.gov.uk/government/collections/fuel-poverty-statistics

[13] The 2019/20 Fuel Poverty Monitor found that vulnerable energy consumers had been particularly impacted in 5 ways due to COVID-19 1. An increase in energy use, due to more people spending more time at home 2. A reduction in income, as many jobs were either lost or placed on furlough 3. Increased affordability issues and therefore debt, leading to energy rationing 4. Reductions in smart meter/ECO installs 5. Difficulties in accessing support, especially where households were digitally excluded or spoke English as an additional language. For the full report, please visit https://www.nea.org.uk/wp-content/uploads/2020/09/UK-FPM-2019.pdf

[14] The 2019/20 Fuel Poverty Monitor found that Energy rationing can be deadly during cold winters and 95% of respondents to its call for evidencefE said there was a moderate or high risk of more households cutting back on their energy use due to being forced to spend more time at home during lockdown. Three quarters of respondents said they were concerned that there is a high risk of the increased building up of fuel debt this winter, as a direct result of the pandemic. For the full report, please visit https://www.nea.org.uk/wp-content/uploads/2020/09/UK-FPM-2019.pdf

[15] Lockdown in Leaky Homes, The Energy and Climate Intelligence Unit, 22 May 2020.

[16] In July 2020, A YouGov poll, commissioned by National Energy Action (NEA), showed that one-in-three British households are concerned about the health impacts of living in a cold home. For more information visit https://www.nea.org.uk/media/news/030720-01/

[17] Draft Fuel Poverty Strategy, July 2019 https://www.gov.uk/government/consultations/fuel-poverty-strategy-for-england
[18] In response to a parliamentary question, Energy Minister confirmed that the Fuel Poverty Strategy is due to be released alongside the Heat and Buildings Strategy (see https://questions-statements.parliament.uk/written-questions/detail/2021-01-14/137984). On the 19th January 2021, the BEIS Secretary of State confirmed to the BEIS committee that he plans to release the Heat and Buildings Strategy in the first quarter of 2021.
[19] The Committee on Fuel Poverty (CFP) is the statutory advisory body to the Government on issues relating to fuel poverty. In their 2020 annual report, the CFP forecast that the 2020 Band E fuel poverty milestone has not been met. For the full report, please see https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/894502/CFP_Annual_Report_June_2020.pdf
[20] From Lords Question HL11485 https://questions-statements.parliament.uk/written-questions/detail/2020-12-15/hl11485
[21] Lords statement on White Paper, 14th December https://hansard.parliament.uk/lords/2020-12-16/debates/8CEE521D-C688-4E82-989B-6775B97AB33E/EnergyWhitePaper
[22] https://www.gov.uk/government/news/homeowners-to-see-savings-available-under-new-green-homes-grant-scheme#:~:text=Announced%20in%20August%2C%20the%20Green,100%2C000%20jobs%20in%20green%20construction.
[23] Both universal credit and working tax credits have been increased by £20 a week. According to HMT analysis, these steps, combined with the positive impact of the furlough scheme, has a positive impact on incomes for those in the lowest income decile. See: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/898420/Impact_of_COVID-19_on_working_household_incomes.pdf.
[24] People who are in receipt of legacy benefits such as employment and support allowance have not received uplifts in benefits and some individuals and families now find themselves subject to the benefit cap, meaning that they will not receive the full value of the uplift. In addition, households with children have seen no increase to child tax credits and the two-child limit on benefits has been retained.
[25] ONS, Household debt in Great Britain: April 2016 to March 2018, December 2019.
[26] See: https://www.nea.org.uk/research/surviving-the-wilderness/.
[27] NEA supports the use of current money-matched repayment schemes and payment holidays and how they operate in the hope that these initiatives can be applied consistently across the water industry and emulated within the energy industry.
[28] The BEIS committee ran an inquiry on energy efficiency in 2019. For the final report, please see https://publications.parliament.uk/pa/cm201719/cmselect/cmbeis/1730/1730.pdf
[29] See http://researchbriefings.files.parliament.uk/documents/POST-PN-0550/POST-PN-0550.pdf
[30] The ECO3 final stage impact assessment shows that the total spend of the scheme will be approximately £1.6bn, and the total environmental benefit from carbon savings and air quality improvements is £785m . For more information, visit https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/749638/ECO_3_Final_Stage_IA__Final.pdf
[31] Arrears that can be recovered under the scheme include: housing (for customer's current address) and for rent arrears, fuel costs (for customer's current provider), Council Tax or Community Charges, unpaid fines or compensation orders, water and sewerage charges (for customer's current provider) and child maintenance.
[32] This is an approach that is supported by NEA and could be standardised across sectors.
[33] The limits on the amount which can be deducted from benefit and paid to creditors in respect of specific items are set out within the following regulations: para 8(4), para 9(6) and para 9(7), Sch 6, Universal Credit, Personal Independence Payment, Jobseeker's Allowance and Employment and Support Allowance (Claims and Payments) Regulations 2013 SI 2013/380.
[34] This would reduce the average time debts are repaid from just over 3.5 years for water to just over 1.5 years and from 3.1 yrs for energy to 1.5 years respectively.
[35] https://www.moneyandmentalhealth.org/money-and-mental-health-facts/
[36] Ibid (see v)
[37] The current handbook is available: https://www.gov.uk/government/publications/how-the-deductions-from-benefit-scheme-works-a-handbook-for-creditors/universal-credit-third-party-payments-creditor-and-supplier-handbook#useful-contacts.
[38] Ofgem have committed to proposals to strengthen the package of support being provided during COVID-19 into permanent requirements from this winter. For further information visit: https://www.ofgem.gov.uk/publications-and-updates/more-help-prepayment-customers-and-those-struggling-bills.
[39] https://www.gov.uk/government/speeches/the-chancellor-rishi-sunak-provides-an-updated-statement-on-coronavirus