

**CHEAPER
BILLS
WARMER
HOMES**



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 **ENERGY**
EFFICIENCY
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GROUP





Brief

- A credible plan to upgrade, 23.5 million UK homes (2024-2034)
 - How best to spend £60bn public money over 10 years
 - Achieve CCC 4th, 5th & 6th Carbon budgets
- 

VISION: A HOME FIT FOR THE FUTURE

Every UK home is made 'fit for the future'; efficient, comfortable, healthy, safe, convenient, and eco-friendly.

Bringing our homes into the 21st century.



MONEY IN HOUSEHOLDS POCKETS



No household would have to pay from their own pocket.



A once in a generation national project, benefiting everyone.



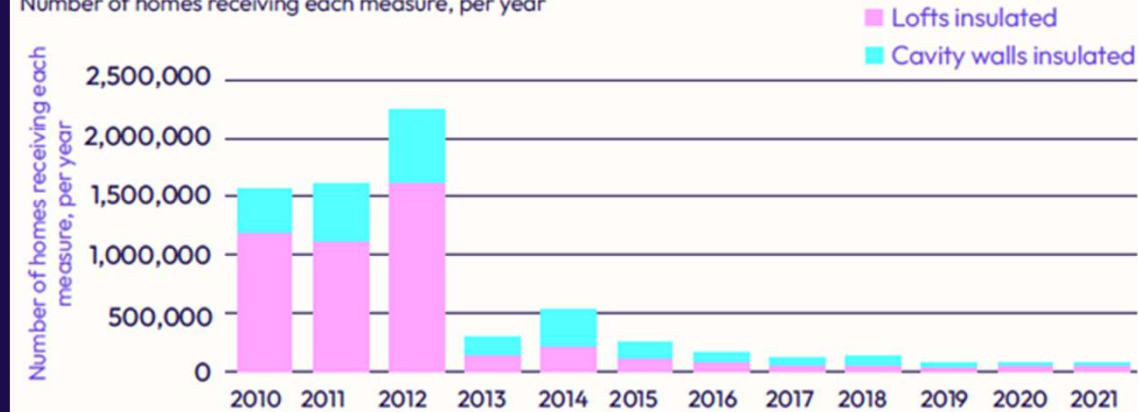
WHERE WE STAND TODAY

- Winter 2022 6.9 million households in fuel poverty, despite price freeze
- Least efficient housing in western Europe
- Minimal progress on decarbonisation in last 10 years

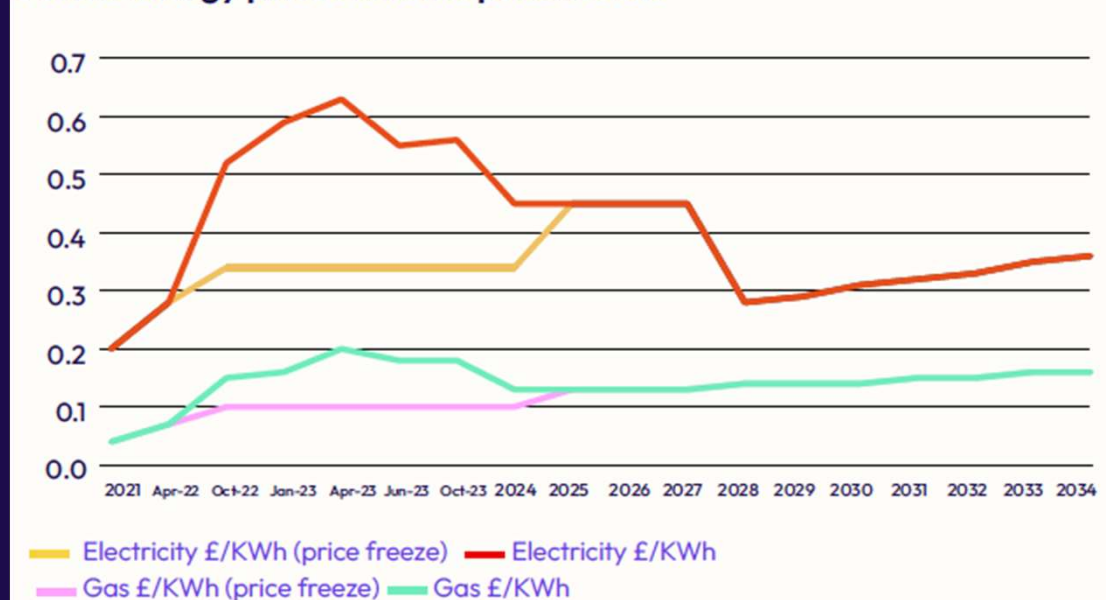


UK home efficiency improvements plummeted in 2013

Number of homes receiving each measure, per year



Future energy prices and the price freeze





The UK needs a long term plan to solve the cost of living crisis and meet our climate targets

We proposed a ten year, 6 point plan, to deliver this agenda

If any one area is absent this plan will likely fail



Delivery over 3 phases

Phase 1 2024-27: Capacity building & focusing on most in need

Phase 2 2027-30: Main program of support scaling up

Phase 3 2030-2024: Self sustaining roll out



1. NATIONAL PLAN, LOCAL DELIVERY

£2bn new funding for:

- National Retrofit Taskforce
- Household Engagement Strategy
- Local Authority delivery via One Stop Shops
- An “Offer” For Every Home





2. TACKLE FUEL POVERTY

- Make energy bills cheaper and fairer
Remove VAT & policy costs

~£53bn investment in low income homes

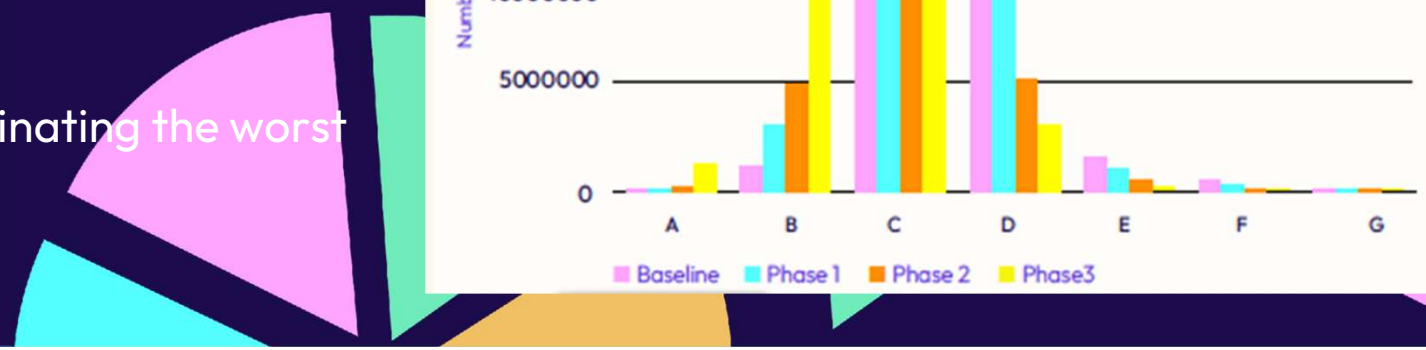
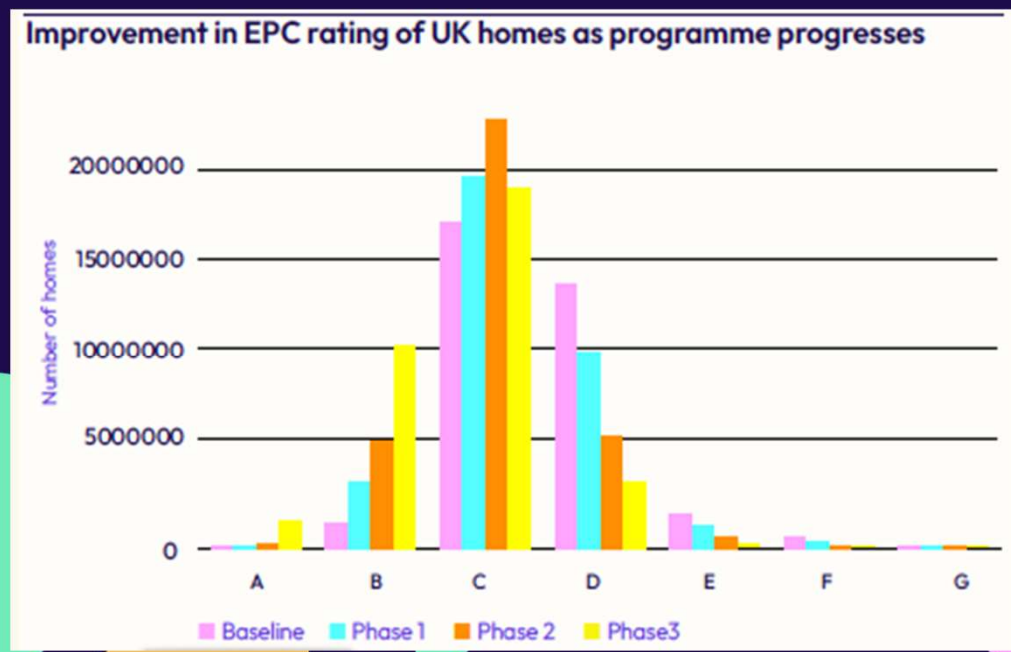
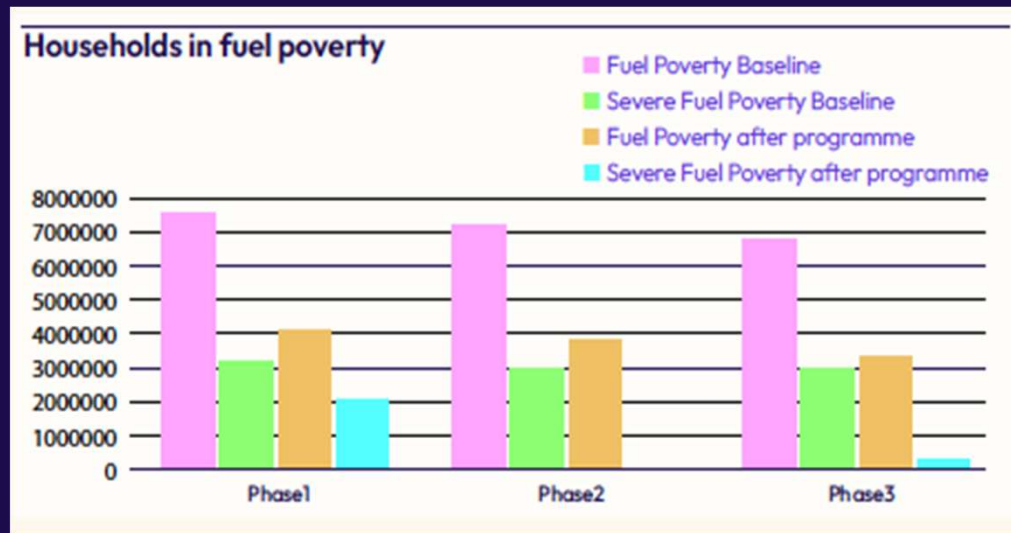
All homes for rent or sale EPC "C" by 2030

- Social Housing EPC "C" by 2025, EPC "B" by 2030
- All PRS to meet EPC "C" by 2028
- All homes sold to meet EPC "C" by 2030



Impact on bills & fuel poverty

- Targets 2.9m of the worst households in Phase 1, saving £1,042 a year. In Phase 2 & 3, reach an additional 6.5m homes
- 46% reduction in fuel poverty in Phase 1 and 47% and 51% lower in Phases 2 and 3 respectively.
- 44% then 97% and 89% reduction in severe fuel poverty (>20% of household income) in Phases 1, 2 & 3 respectively.
- 11m EPC C or above, virtually eliminating the worst performing EPC bands.





saving

£25bn

/ year

Dealing with
the drivers of
the cost of
living crisis...

for the
long term!

3. A FINANCED RENOVATION FOR ALL

- Retrofit at no upfront cost: 0% loans
- Help when moving home: Energy Saving Stamp Duty
- Help when renovating: 5% VAT on retrofit led renovations
- Realise the value of EE homes: Green Mortgages





4. FIX BROKEN HOUSING STANDARDS

- Take back control of standards & enforcement
- Make EPC's fit for purpose
- Guarantee savings for households
- Ensure homes are climate resilient by considering retrofit impact on overheating

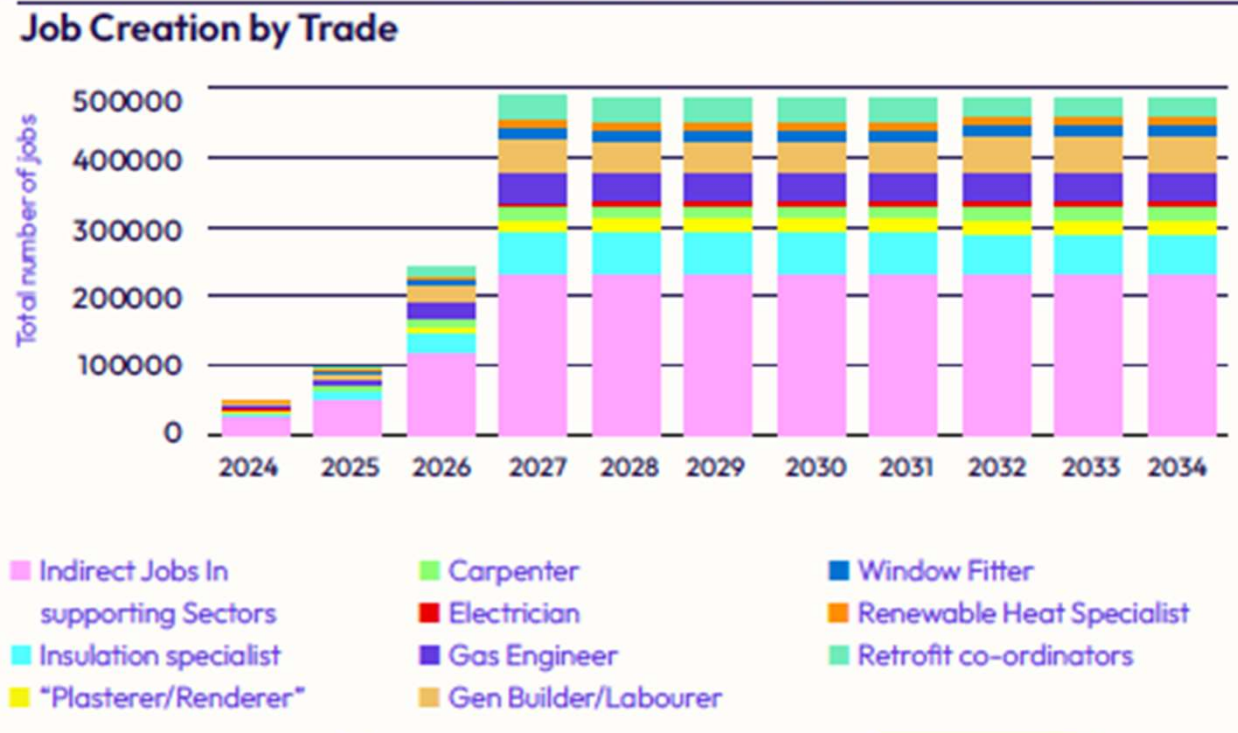


5. CREATE HALF A MILLION JOBS

- Train a 300,00 strong retrofit workforce

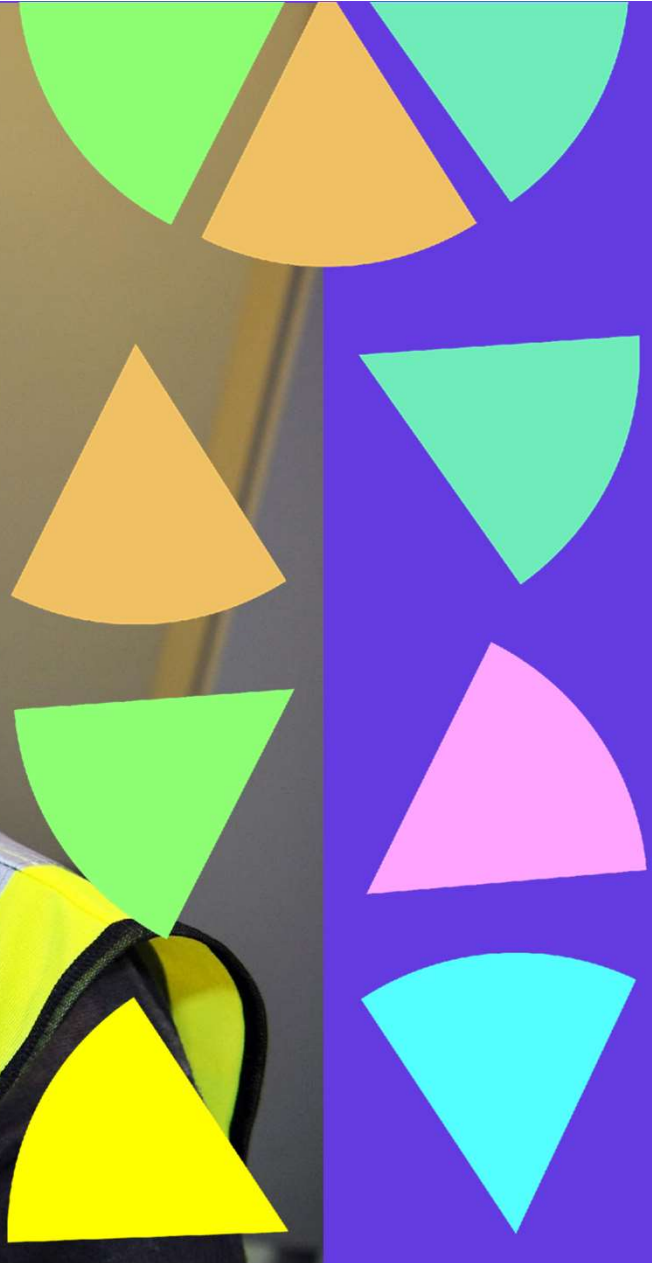
- A 'just transition' to retrain existing workforce

- Champion and diversify the sector

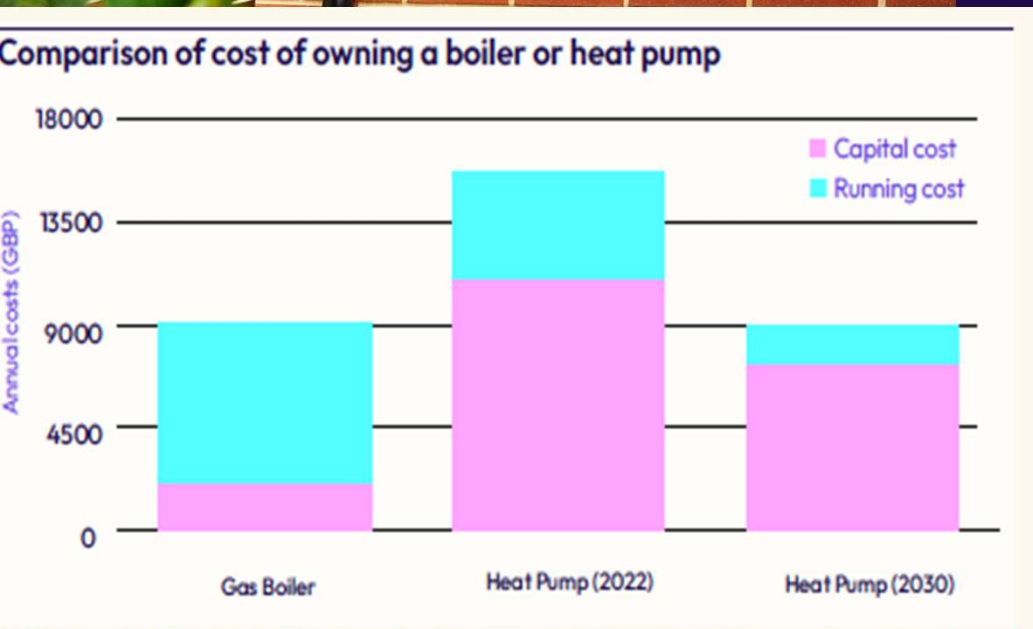


500,000

diverse and
home-grown
green-career
opportunities.



6. BUILD THE MARKET FOR LOW CARBON HEAT



- Funding to Reduce Cost of Heat Pumps (HPs)

- Make Suppliers Reward Flexibility

- Ban new fossil heat by the early 2030s

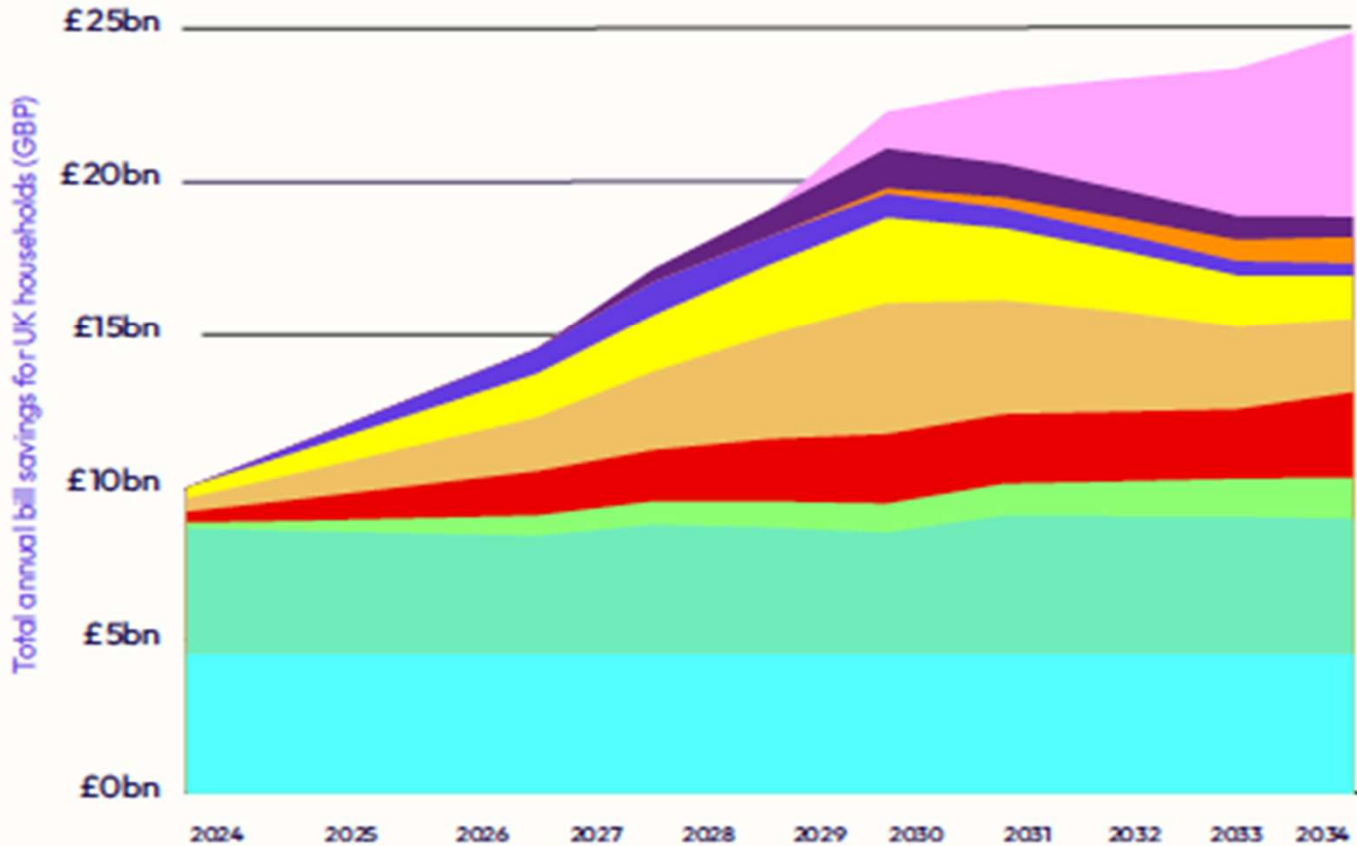
- Align this programme with the roll out of district heating & hydrogen trials



Policy Impacts: Bills

- Cumulative £222bn in capital investment
- This is a total of £112bn in energy savings by 2034, with £262bn in cumulative savings by 2040

Annual Bill Savings



- Removal of Levies from Bills
- Remove 5% VAT from Bills
- 5% VAT on Renovations
- Energy Saving Stamp Duty
- Fuel Poverty Programme
- Heat Pump Grants
- 2028 - MEES "C" all PRS
- 2030 - MEES "C" owner occupiers (on sale)
- 2030 - MEES "B" all social housing
- 2030 - Ban on gas/oil boilers



MONEY IN HOUSEHOLDS POCKETS

Delivering an average **£779** reduction in annual energy bills

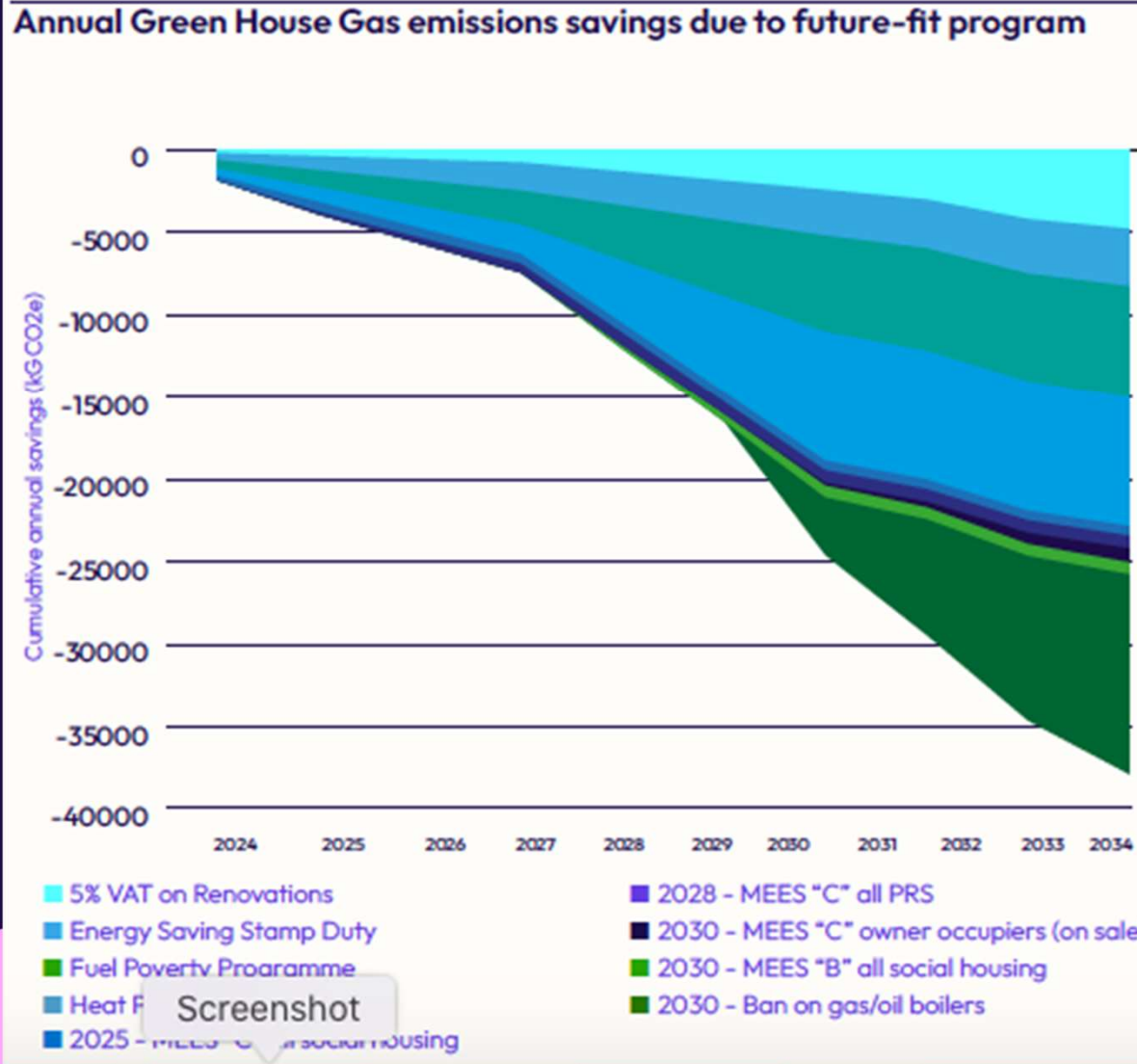
The most at-risk households saving up to

£4,464



Policy Impacts: Carbon

- A total reduction in emissions from homes of 53% vs the do-nothing baseline.
- Rollout of 9.7m heat pumps (about 33% of UK homes) - saving 31% of the UK's household carbon emissions.
- A cumulative saving of 218 million tonnes of CO2/yr by 2034



Screenshot



Making the UK a world leader on climate change, delivering...

22%

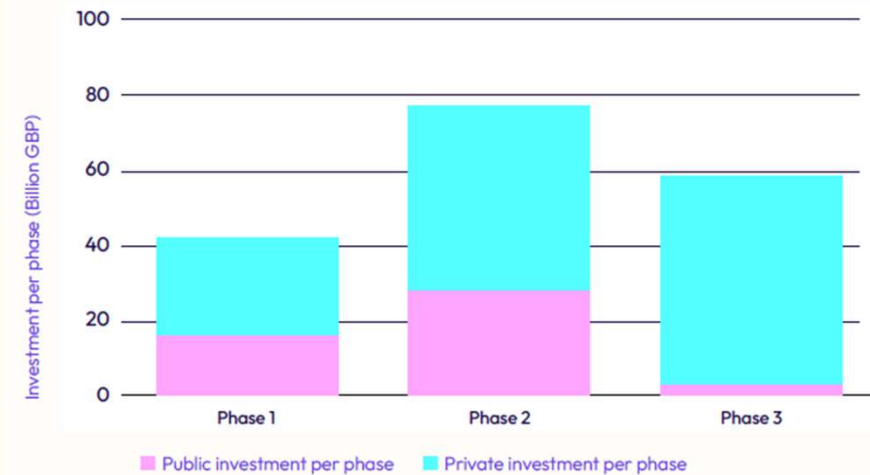
of the UK's greenhouse gas reduction targets



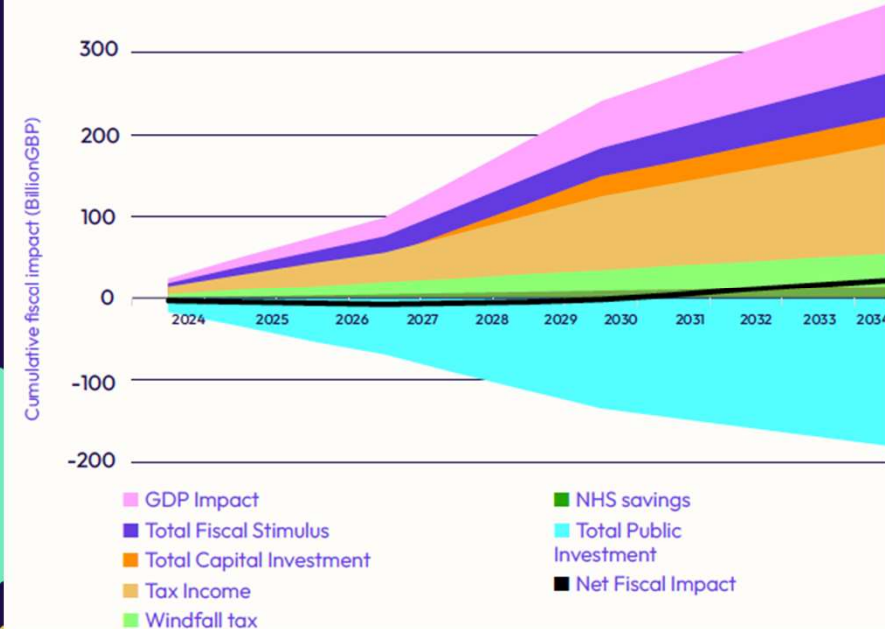
Policy Costs & Revenue Impacts

- **GDP impact:** 10 year programme creates total stimulus of £275bn, leading to a GDP increase of £361bn
- **Net fiscal impact:** leads to £120bn growth in tax receipts
 - We assume a £5bn/year windfall tax continues for the duration.
 - In addition, we expect £1.4bn/year saving on NHS budgets, due to improvements in public health
- **Leading to a net gain of £22.7bn in government revenues over the period.**

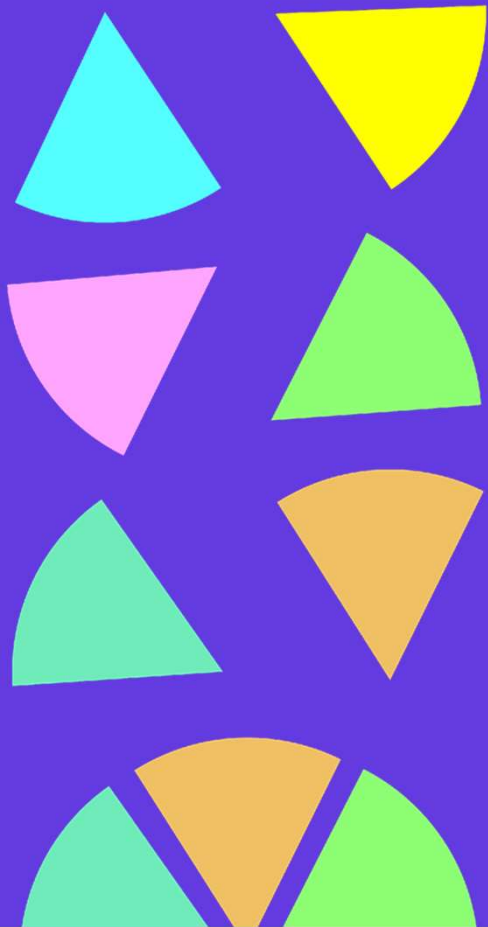
Public and private investment to deliver programme



Net fiscal impact of 'future-fit' program



Levelling up



£664m

invested per local authority area



Net increase in UK GDP of
£361bn
over 10 years

