

Revenue Neutral: Costs of the Fuel Poverty Programme over 10 Years

The Programme will cost **£9.47 billion** if action is taken now, however if action is delayed the cost will be higher. The Programme could be revenue neutral, as shown below. Using the **Treasury Green Book** which states on page 19 "the relevant costs and benefits to government and society of all options should be valued, and the net benefits or costs calculated ... wider social and environmental costs and benefits also need to be brought into any assessment."

Total Cost of Fuel Poverty Programme		Existing committed spending	
Total cost of upgrading all fuel poor social homes below EPC C	£1.75bn	Energy Company Obligation ECO 3 to 2028 'at least' (Government policy) funded by energy companies Social Housing Social landlord boiler replacements (i.e. as they 'conk out') to 2030 funded by social landlords Social housing decarbonisation fund (in current Government's Manifesto Costings document) Housing Association spending on energy efficiency	£5.93bn £0.80bn £0.58bn WIP
Total cost of upgrading all fuel poor private homes below EPC C	£7.72bn		
Total cost of Programme (2020)	£9.47bn		
Conclusions <ol style="list-style-type: none"> This programme can be funded without any additional Government money. This is without considering any of the wider benefits as per the Treasury Green Book. It would only require using a small proportion (0.8bn) of the £6.3bn allocated by the Chancellor in the Manifesto Costings document. The remainder of that money could thus be used for the 'able to pay' sector. 		Private Landlord Landlord contribution to upgrade PRS homes to EPC E introduced by regulations in 2019 funded by private landlords Private landlord boiler replacements (i.e. as they 'conk out') to 2030 funded by private landlords	£0.39bn £1.74bn
		Owner-occupier Homes upgrade grant (in current Government's Manifesto Costings Document)	£0.25bn
		Total revenue – Existing schemes	£9.69bn
		Financial benefits resulting from the Programme Every £1 spent on alleviating fuel poverty saves the NHS 42p	£4.27bn
		Estimated value of the carbon savings	£3.41bn
		Total revenue – existing schemes plus health and carbon benefits	£ 17.37bn
		Wider benefits <ul style="list-style-type: none"> Comfort Air quality Energy use Electricity system GDP effect: heating and heat networks GDP effect: building fabric and controls 	£0.45bn £0.41bn £4.93bn £0.43bn £2.23bn £1.56bn
		Total revenue – wider benefits	£10.01bn
Total cost of Programme if action is taken now	£9.47bn	Total revenue from above policies and benefits	£27.38bn