

Revenue Neutral: Costs of the Non-fuel Poor Programme over 15 Years

The Programme will cost **£29 - 54 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 Non-fuel Poor Programme		Existing committed spending	
1. BEIS estimate for UK (October 2019) ¹	£35bn-£65bn	Social Landlord Funding Social landlord boiler replacements to 2035 Social housing decarbonisation fund Estimated Housing Association spending on energy efficiency	£4.39bn £3.23bn £3.80bn
Total cost of Programme (2020) adjusted for England	£29bn – 54bn		
BEIS view on these costs		Private Landlord Funding Landlord contribution to upgrade PRS homes to EPC E introduced in 2019 funded Private landlord boiler replacements to 2035	£0.53bn £4.99bn
<p>1. BEIS believes the cost could be lower if technology development is boosted (April 2019)²</p> <p>2. October 2019 BEIS says this 'represents good value for money'.³</p> <p>Possible 'concrete policies for Non-fuel Poor homeowners' as agreed by govt response to BEIS Select Committee⁴</p> <ul style="list-style-type: none"> • Stamp Duty rebate • Council tax rebate • Regulation • Income tax rebate • Green mortgages 			
		Owner Occupier Funding Owner occupier annual boiler replacement Renewable Heat Incentive replacement scheme (domestic) Homes upgrade grant	£19.0bn TBD £2.25bn
		Total revenue – Existing schemes	£38.19bn
		Financial benefits Estimated value of the carbon savings	£20.55bn
		Total revenue - existing schemes plus carbon benefit	£58.74bn
		Wider benefits <ul style="list-style-type: none"> • Energy use • Comfort • Air quality • Electricity system • GDP effect: heating and heat networks • GDP effect: building fabric and controls • Health 	£29.69bn £2.69bn £2.45bn £2.57bn £13.44bn £9.38bn £2.75bn
		Total revenue – wider benefits	Up to £62.97bn
Total cost of Programme if action is taken now	£54.00bn	Total revenue from above policies and benefits	£121.71bn

¹ Government response to BEIS Select Committee recommendation 1

<https://publications.parliament.uk/pa/cm201919/cmselect/cmbeis/124/12403.htm>

² Government evidence to BEIS Select Committee – Question 394

³ Government response to BEIS Select Committee recommendation 1

⁴ October 2019