



Association for the Conservation of Energy

NEWS RELEASE

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Spending on fuel poverty slashed as energy bills rocket

On the day that the Government's latest fuel poverty figures are published, a shocking new report¹ from the Association for the Conservation of Energy has shown that funding to help fuel poor households is being slashed by almost a third. To make matters worse, national spending on making homes more energy efficient – the only permanent way to bring down energy bills and end fuel poverty – will have been cut by over 50% over the 3 year period to 2013.

With average household energy bills having doubled in only six years² – and with British Gas announcing further steep fuel bill hikes for next winter – today's Government figures are almost certain to show a rise in the number of households that are forced to choose between heating and eating. Even without a further rise today, the number of households in fuel poverty has almost tripled in the last five years, to at least 4 million English households in 2009. But next year's spending on improving the energy efficiency of their homes is set to be only £540million, even though experts estimate³ that at least £4billion a year is needed to tackle the huge scale of the problem.

Jenny Holland, Head of ACE's Parliamentary Team, said:

"Fuel poverty is a scourge that the Government has committed itself to eradicating by 2016. But instead of investing to end the problem, they have opted to slash the funding needed to help our most vulnerable citizens.

"According to Government's own estimates, the £540million available for energy efficiency next year will provide help to only 180,000 households. And of course this is money that will be spent by energy companies – not the Government – and will be recouped by them through customers' fuel bills. In 2013 – when the Government-funded Warm Front scheme ends – there will be no publicly funded fuel poverty scheme left in England. This is in stark contrast to the situation in Wales and Scotland, where fuel poverty budgets have been protected, if not increased.

“This is nothing short of a national scandal. Without more funding, fuel poor households will conclude, quite rightly, that the Government has simply abandoned them. That’s why ACE has joined with 80 other organisations in calling for the Government to support the Energy Bill Revolution⁴, a campaign asking for carbon tax revenues to be used to make our homes highly energy efficient, prioritising those of the fuel poor. Averaging a whopping £4billion over the next 15 years, this money could be enough to bring 9 out of 10 homes out of fuel poverty.

“The Government must reverse this shocking trend of falling budgets and commit to using carbon tax revenues to make dangerously cold homes a thing of the past.”

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For more information, please contact: Jenny Holland, 07875 629781, or Louise Sunderland, 07989 356644

Notes to editors follow on next page.

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[1] The ACE report, *National Fuel Poverty Budgets*, is attached to this email.

[2]<http://www.decc.gov.uk/assets/decc/statistics/fuelpoverty/2181-annual-report-fuel-poverty-stats-2011.pdf>

[3] Joint All Party Parliamentary Fuel Poverty and Energy Efficiency and Renewable and Sustainable Energy Groups (2011) *Enquiry into social justice and the low carbon economy: report*. Available at: <http://tinyurl.com/cayxmct>

[4] For more information about the Energy Bill Revolution, go to www.energybillrevolution.org