



Association for the Conservation of Energy

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Press Release

For immediate release

ACE's reaction to Excess Winter Deaths figures and Comprehensive Spending Review

'Scandalous' - winter deaths surge, but Chancellor slashes help for cold homes by 42%

On the same day that official figures reveal that last winter's Excess Winter Deaths were at their highest level for 15 years, ACE has described as 'scandalous' the Chancellor's announcement of a 42% cut in the help available to households living in dangerously cold homes. They have also expressed disappointment that, despite allocating £100 billion for infrastructure projects, Mr Osborne has chosen to spend not one penny of this pot to make the UK housing stock more energy efficient.

Jenny Holland, Head of the Parliamentary Team, said:

"The appalling state of our housing stock is one of the key causes of excess winter deaths, which today's figures show surged last winter to their highest level in 15 years. Yet despite this, the Chancellor has today ignored industry-wide pleas to release infrastructure funding for an energy efficiency programme. Instead, he has announced that the Energy Company Obligation – the only remaining help for householders living in cold homes – will be slashed to £640m a year from 2017, a drop of 42% on annual ECO spending to date.

"The Chancellor boasts that households benefitting from the ECO are expected to save £300 on their bills. But these lucky few will amount to just 200,000 per year. The other 5 million poorest households who struggle with their basic living costs won't even get a look in until April 2022."

In addition, while welcoming the proposal to build 40,000 'affordable' homes by 2020, ACE points out that, having ditched the zero carbon homes standard earlier in the year, the Chancellor has needlessly saddled these homes with higher fuel bills. ACE also describes as a missed opportunity the Chancellor's refusal to announce variable rates of stamp duty based on a home's energy efficiency.

Jenny Holland continued:

"It's a bit rich for the Chancellor to trumpet these new homes as 'affordable' when he was the one who, without warning, ditched the zero carbon homes standard in July. This means that these new homes will be needlessly saddled with higher running costs – or householders will be forced to have expensive and messy retrofits at some later stage to bring their homes up to scratch.

"Meanwhile, the Chancellor has again shown a willingness to adjust stamp duty as a policy lever, increasing it by 3% for buy-to-let purchasers. But he has once again failed to incentivise energy efficiency investment by introducing a revenue-neutral adjustment to stamp duty based on homes' energy performance."

For more information, contact: Jenny Holland, jenny@ukace.org, 07875 629781

Notes for Editors:

The new Energy Company Obligation, to run for 5 years from April 2017, will cost £640m per year. That represents a 42% reduction in the ECO's actual expenditure to date (£1.1bn per annum on average over the 2.5 years to the end of June 2015, according to the latest available official statistics).