



News release

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Cost of living crisis needs an energy efficiency revolution

Leading consumer, industry and green organisations challenge political parties to get serious about bringing down energy bills by creating a national energy efficiency programme.

New research by Green Alliance^[1] identifies the extent to which solving the UK's shockingly poor home energy efficiency, a major cause of the current cost of living crisis, will need significantly improved support and action from all political parties. The report^[2] identifies seven steps government should take to significantly increase levels of home energy efficiency retrofit and reduce consumers' energy bills.

The UK's home energy efficiency failure in numbers:

- At current rates of progress it will take 24 years to insulate all easy to treat lofts and cavity walls and 770 years to tackle harder to treat homes.
- Owner occupied homes have the worst energy performance, with over 40% having an EPC rating of E or below.
- Solid wall insulation can typically save homes £490 per year, yet 97% of properties with solid walls remain un-insulated.
- More than half a million UK households spend more than 20% of their income on energy. This group of householders has an average income of £6,338 and faces annual energy costs of £1,983.
- Over 300,000 energy efficiency measures have been delivered by ECO^[3] in the first nine months of 2013. By contrast only 481 have been installed using the government's flagship Green Deal loan scheme.

In response, seven leading organisations have issued the following statement calling on political leaders of all parties to commit to energy efficiency as a national priority:

“We are disappointed by the current lack of political leadership on energy efficiency. Rising wholesale energy costs are the primary cause of high energy bills, not programmes to improve the UK’s poor housing stock.

“We invite the leaders of all three main parties to make the case for improving support available to households suffering rising energy bills. Politicians committing publicly to energy efficiency as a priority will increase consumer interest and supply chain confidence. Increased household demand for energy efficiency retrofit can be stimulated through smart regulation and targeted financial incentives for homeowners. If this is combined with more effective support for local delivery programmes, the UK would benefit from the double dividend of reduced bills and increased economic activity.”

Signatories to the statement commented:

- "We have first-hand experience of how hard it is to make the Green Deal work. Without measures to increase demand among consumers, rates of uptake will continue to be unacceptably low. There is a high degree of consensus between industry, local authorities, social landlords and NGOs as to what government should be doing. We urgently need an ambitious national energy efficiency programme." **John Swinney, Business Development Director, Carillion Energy Services**
- “Government doesn’t shirk its leadership responsibility where health and education are concerned, all parties agree on the need for strong action. Why doesn’t this government feel the same about eliminating fuel poverty?” **Sally Hancox, director, Gentoo Green**
- “Energy efficiency is the best tool at our disposal to deal with rising energy costs. Not only is it the only guaranteed way to combat spiralling energy bills, but a creator of economic growth and essential for cutting carbon emissions from the UK’s draughty homes. It must be not be sidelined, but encouraged by all colours of the political spectrum.” **Paul King, CEO, UK Green Building Council**
- “Politicians are fixated on reforming energy generation and supply and neglecting the need to reduce household energy demand. Properly insulated homes can reduce fuel bills by over 50 per cent. It is time for policy-makers to introduce sustainable measures to reduce energy usage and stick to them.” **Alex Hunter, corporate affairs director, ROCKWOOL**
- “With this timely report Green Alliance has highlighted the critical importance of home energy efficiency in the fight against spiralling fuel bills and the scourge of fuel poverty. As they say, we should be doing much more – not less – to improve the energy performance of our inefficient housing stock. Against this backdrop, cutting or scrapping the ECO would be a catastrophe – not just for householders, but for the UK energy efficiency industry, which would stand to lose 32,000 jobs next year if plans to scrap the ECO went ahead.” **Andrew Warren, director, Association for the Conservation of Energy (ACE)**
- “Consumers can only be protected from rising prices by improving the dire energy performance of Britain’s homes. As the disappointing uptake of Green Deal demonstrates, individual policies don’t work without a coherent programme which includes strong financial incentives and trusted local delivery. Energy prices will come back to bite political parties time and again if they don’t get serious about a national home energy retrofit programme.” **Matthew Spencer, director, Green Alliance**

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Notes to editors

[1] Green Alliance is a charity and environmental think tank focused on ambitious leadership for the environment. www.green-alliance.org.uk

[2] [*7 steps to reducing energy bills: how greater ambition on home energy efficiency can bring down the cost of living*](#)

[3] The Energy Company Obligation, a levy on consumer energy bills to fund home energy efficiency improvements