

## 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) <sup>1</sup>	£35bn-£65bn	<b>Social Landlord Funding</b> Social landlord boiler replacements to 2035 <sup>5</sup> Social housing decarbonisation fund Estimated Housing Association spending on energy efficiency	£4.39bn
<b>Total cost of Programme (2020) adjusted for England</b>	<b>£29bn – 54bn</b>		£3.23bn
<b>BEIS view on these costs</b>		<b>Private Landlord Funding</b> Landlord contribution to upgrade PRS homes to EPC E introduced in 2019 funded Private landlord boiler replacements to 2035 <sup>5</sup>	£3.80bn
<p><b>1. BEIS believes the cost could be lower if technology development is boosted (April 2019)<sup>2</sup></b></p> <p><b>2. October 2019 BEIS says this 'represents good value for money'.<sup>3</sup></b></p> <p><b>Possible 'concrete policies for Non-fuel Poor homeowners' as agreed by govt response to BEIS Select Committee<sup>4</sup></b></p> <ul style="list-style-type: none"> <li>• Stamp Duty rebate</li> <li>• Council tax rebate</li> <li>• Regulation</li> <li>• Income tax rebate</li> <li>• Green mortgages</li> </ul>			£0.53bn
		<b>Owner Occupier Funding</b> Owner occupier annual boiler replacement <sup>5</sup> Renewable Heat Incentive replacement scheme (domestic) Homes upgrade grant	£4.99bn
		<b>Total revenue – Existing schemes</b>	£19.0bn
			TBD
		<b>Financial benefits</b> Estimated value of the carbon savings	£2.25bn
		<b>Total revenue - existing schemes plus carbon benefit</b>	<b>£38.19bn</b>
		<b>Wider benefits</b>	
		<ul style="list-style-type: none"> <li>• Energy use</li> <li>• Comfort</li> <li>• Air quality</li> <li>• Electricity system</li> <li>• GDP effect: heating and heat networks</li> <li>• GDP effect: building fabric and controls</li> <li>• Health</li> </ul>	£20.55bn
		<b>Total revenue – wider benefits</b>	
			£29.69bn
			£2.69bn
			£2.45bn
			£2.57bn
			£13.44bn
			£9.38bn
			£2.75bn
		<b>Total revenue from above policies and benefits</b>	<b>Up to £62.97bn</b>
<b>Total cost of Programme if action is taken now</b>	<b>£54.00bn</b>		<b>£121.71bn</b>

<sup>1</sup> Government response to BEIS Select Committee recommendation 1  
<https://publications.parliament.uk/pa/cm201919/cmselect/cmbeis/124/12403.htm>

<sup>2</sup> Government evidence to BEIS Select Committee - Question 394

<sup>3</sup> Government response to BEIS Select Committee recommendation 1

<sup>4</sup> October 2019

<sup>5</sup> The boiler replacements referred to would happen anyway as they 'conk out' and are not caused by the Bill