



Re-building UK homes to end fuel poverty is best way to create jobs and growth

A landmark report published today shows that the best way to boost growth and create jobs is to make the homes of the fuel poor super-energy efficient.

The study – ‘Jobs, growth and warmer homes’ – commissioned by Consumer Focus was undertaken by Verco and the prestigious economic consultancy Cambridge Econometrics.

It shows that investing money raised through carbon taxes in an energy efficiency programme creates more jobs and growth than other kinds of major Government investment or tax cuts.

The Energy Bill Revolution, the biggest fuel poverty alliance ever formed in the UK, is calling for carbon tax revenue to be recycled in this way. They welcomed the publication of the report. Ed Matthew, Campaign Director of the Energy Bill Revolution said:

“There is enough carbon tax to end fuel poverty and in time help make every UK home super-energy efficient. This report shows that in its bid to boost UK economy, the Government is not investing in the one thing which could create more jobs and growth than anything else – re-building the UK’s housing stock. Not only does this have massive economic benefits but it is the most effective way to bring down energy bills. This should form the centre piece of a new Marshall Plan to re-build the UK economy.”

The research shows that significant Government energy efficiency infrastructure investment could:

- **Generate up to 71,000 jobs and boost GDP by 0.2 per cent³ by 2015 and create up to 130,000 jobs by 2027.**
- **Lift up to nine out of ten households out of fuel poverty, reducing energy bills in all fuel poor homes by at least £200 per year**

Fuel poverty currently affects over six million UK households, and levels are set to rise as energy prices go up. This is predicted to grow to 9.1 million households – more than one in three homes. Energy consumers will pay over £2 billion in carbon taxes from next year, rising to £4 billion each year in carbon taxes by 2020.⁴

From next year the main scheme to help fuel poor consumers will be the heating and insulation improvements provided by energy firms through the Energy Company Obligation (ECO). But Government estimates show this will lift only 250,000 households out of fuel poverty, at most.

ENDS

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Notes to Editors:

1. **For more information on the Energy Bill Revolution campaign go to:**
www.energybillrevolution.org **and for information on alliance members go to** <http://www.energybillrevolution.org/whos-behind-it/> **For the new report or executive summary, go to:**
www.energybillrevolution.org/macro-research
2. The study assessed the effect of stimulating the economy through spending on energy efficiency in comparison to four other policies that injected the same amount of the money into the UK economy:
 - 1) general government investment (or capital) spending programme;
 - 2) general government current spending programme;
 - 3) reduction in VAT; and
 - 4) reduction in fuel duty.
3. **Background on the research:**
Significant sums are due to be paid to Government through new carbon taxes – the modelling in this study shows £63 billion will be raised from electricity consumers between 2012 and 2027. Prompted by these twin problems of underutilised economic capacity and vulnerable people's need, Consumer Focus commissioned [Cambridge Econometrics](#) and [Verco](#) to model the macroeconomic effects of investing revenue from carbon taxes into installing energy efficiency measures into fuel poor households.