

## Template for costing policies of opposition parties

*Please remember that everything entered into this template, and email correspondence relating to its completion, may be published under the Freedom of Information Act*

Description of policy
<p>Half a million free home energy reports a year throughout the next Parliament</p> <p>Caroline Flint: "Labour will get to work: half a million free home energy reports a year, so families know where and how they can cut their bills"</p> <p><a href="http://press.labour.org.uk/post/98218687704/speech-by-caroline-flint-mp-to-labour-party-conference">http://press.labour.org.uk/post/98218687704/speech-by-caroline-flint-mp-to-labour-party-conference</a></p>
Additional policy assumptions
<p>Relevant assumptions provided by Spads are:</p> <ul style="list-style-type: none"> <li>• Assume that under the policy the Government fully funds half a million additional home energy reports every year from 2015/16 to 2019/20 (the standard scorecard period for opposition costings). Therefore assume the Government reimburses the full cost of the half a million free home energy reports.</li> <li>• Assume "home energy reports" have the same unit costs as Green Deal assessments.</li> </ul>
Additional technical modelling assumptions or judgements required
<ul style="list-style-type: none"> <li>• Unit cost of Green Deal assessment is £112.50 (from Final Stage Green Deal IA: <a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/42984/5533-final-stage-impact-assessment-for-the-green-deal-a.pdf">https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/42984/5533-final-stage-impact-assessment-for-the-green-deal-a.pdf</a>)</li> <li>• We have assumed that this is in 2012 prices (date of Green Deal IA)</li> <li>• Given that the assumptions provided just focus on the cost of the assessments themselves, we have not modelled any policy or delivery costs for administering the assessments.</li> <li>• To calculate annual price changes we have used the GDP deflator figures as set out by the OBR on p107 of Budget 2014; for the final year (2019/20) we have reused the figure for 2018/19, the final year available in the OBR forecast.</li> <li>• We have discussed this costing with DECC and they have agreed the approach, although they note that they currently model up to 80% of Green Deal Assessments as delivered for free by the market. In line with the guidance on modelling behavioural effects, this costing does not include assumptions on (a) companies' decisions on charging for home energy reports and (b) the impact of the availability of Government-funded home energy reports on companies' decisions to charge for those reports. We have, as per the assumptions above, modelled the cost of fully funding all of the 500,000 home energy reports.</li> </ul>

If needed, information required on distributional effects of the policy

None requested in commission

Cost/Revenue to the Exchequer over five years

	DEL (£m)				
	Start-up cost	Year 2	Year 3	Year 4	Year 5
Current					
Capital	60	61	62	63	64
<b>Total</b>	60	61	62	63	64

Distributional effects (if none requested, any significant):

None

Comparison with current system (if applicable):

n/a

Other comments (including other Departments consulted):

We have classified this as capital spend because the Green Deal Home Improvement Fund reimbursed households for their Green Deal Assessments using its capital budget.

*To be completed by Permanent Secretary's Office*  
Date costing signed off:

18 December 2014

*[If applicable]*  
Date revised costing signed off: