



Committee on Fuel Poverty

Consultation on a Green Gas Levy Closing date: 2 November 2020

Response from Committee on Fuel Poverty

The Committee on Fuel Poverty (CFP) is an Advisory Non-Departmental Public Body sponsored by the Department for Business, Energy and Industrial Strategy (BEIS). Its role is to advise the Government on tackling fuel poverty in England. For further details on CFP's current and past work in taking forward its remit, please see its webpage on [here](#).

The fuel poverty strategy for England, [Cutting the Costs of Keeping Warm](#) includes a statutory target for 'as many fuel poor households as reasonably practicable to achieve a minimum energy efficiency rating of a Band C by 2030.' It also has two interim milestones of Band E by 2020 and Band D by 2025.

The latest [statistics on fuel poverty](#) show that there are 2.4 million households in England who cannot afford to heat their homes to comfortable levels. Living in cold homes negatively impacts the physical and mental health occupants, thereby impacting the budget of not only the NHS but also local councils in the form of Social Care, and the Department of Works and Pensions in the form of health related benefits. It also directly contributes towards the number of excess winter deaths.

The NHS England Cold Weather Plan for England states that there is strong evidence that some of the c.30,000 annual excess winter deaths in England are related to cold temperatures and living in cold homes. However, we noted that the health sector has not been uniformly following the National Institute for Health and Care Excellence (NICE) guidance and Quality Standards: '*Preventing excess winter deaths and illness associated with cold homes*'. NICE standards and guidance are developed to help secure continuous improvements in the quality of health services. This standard addresses the prevention of excess winter deaths and health problems associated with cold homes and it includes recommendations for commissioning services to assist people who are particularly vulnerable to the health effects of living in cold homes.

We understand and support that as part of Government's commitment to achieve 'Net Zero' in 2050, there is a need to decarbonise heating in homes. However, we are concerned that the transition towards achieving Net Zero must be achieved in a way that it is not to the detriment of those who are on low incomes or who are vulnerable.

Question 2: Do you agree with our rationale for proposing that the Green Gas Levy be charged on a per meter per day basis, according to gas supplier meter points served? Yes/No. Please provide evidence to support your response.

We do not agree. Charging on a per meter basis is clearly unfair for those who use low amounts of gas and who are least able to pay. The [fuel poverty statistics](#) show that 77% (1.85 million) of fuel poor households use gas as their main fuel and these households already cannot afford to heat their homes to comfortable levels. The Green Gas Levy should be charged on a usage basis, so that high users pick up their fair share of the costs to decarbonise gas.



Committee on Fuel Poverty

Whilst it could be argued that, if charged to the meter, the additional costs would be low (£1.40 in 2021 rising to £6.90 in 2028), this does not take into account the high degree of uncertainty of scheme costs as outlined in the Impact Assessment.

The Consultation documents provides no substantive evidence as to why a charge per unit of gas cannot immediately be implemented by gas suppliers. It states 'The per meter point design would provide gas suppliers and consumers with a high level of certainty in terms of costs. It can also be delivered within the relatively short timescales needed to launch the Green Gas Support Scheme due to its relative simplicity'. Providing gas suppliers with a high degree of certainty about costs is not required, as they are used to dealing with huge uncertainties as the spot price for gas constantly varies. The costs for the Green Gas Levy falls into insignificance with regards to their main business uncertainties.

Yours sincerely,

A handwritten signature in black ink that reads "D.R. Blakemore".

David Blakemore
Chair, Committee on Fuel Poverty