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Rt Hon Grant Shapps MP House of Commons London SW1A 0AA

11 November 2022

Dear Secretary of State,

On behalf of the Committee on Fuel Poverty, may I congratulate you on your appointment as Secretary of State for Business, Energy and Industrial Strategy.

I look forward to our first meeting. However, I appreciate that you have many live issues to manage, not least the current energy landscape and forthcoming financial decisions facing the department.

On 17 October, the Government announced its intention to review the Energy Price Guarantee (EPG) from April 2023. If the intention is to reduce the overall cost of the packages going forward, the Committee supports doing so by better targeting. The Committee would be happy to advise, in the interests of preventing an increase in fuel poverty.

The Committee appreciates the unenviable and formidable choices facing the Department in the coming months. Many of these decisions fall well beyond our remit as an advisory committee. However, one policy - that of energy efficiency programmes - is within our purview.

The Committee feels that any retreat from tackling energy efficiency to reduce the number of households in fuel poverty would be a false economy and undermine other major goals of this administration.

Improving the energy efficiency of the nation's housing stock, targeting the least energy efficient homes first, as recommended in the Government's Sustainable Warmth Strategy, would:

- Target support to vulnerable households.
- Deliver financial savings for those households year on year.

- Reduce overall demand for energy, improving energy security.
- Create jobs and manufacturing supply chains across the country.
- Contribute to levelling up goals.
- Reduce emissions, contributing to the nation's climate goals of net zero.

Therefore, the Committee is of the view that increased investment in energy efficiency stands apart from many calls on the Government finances, representing real investment with real returns, rather than short-term one-off spending.

We have written to the Prime Minister congratulating him on his appointment and bringing to his attention again the CFP letter we wrote to both him and Rt Hon Liz Truss when they stood as candidates to be Conservative Party Leader. I attach our letter for your consideration of the recommendations contained therein.

The Committee would appreciate any data that officials can share with us of any early observations on the impact of increased energy pricing on the most vulnerable. We would also reiterate our concern that the necessary steps are taken to ensure customers are treated fairly by suppliers, especially for those with greatest vulnerability.

Preventing a rise in fuel poverty is just one aspect of protecting the British people from energy price volatility and further cost of living pressures in the coming months but, we hope our advice can help the Government to meet its objectives during a challenging period.

We wish you every success in your new role and in the challenges ahead.

As always, the Committee, is happy to meet to discuss or advise as requested.

Yours sincerely,

RT Hon Caroline Flint

Chair – Committee on Fuel Poverty

Members: Liz Bisset; Anuradha Singh; Belinda Littleton, Anthony Pygram and Gordon McGregor.

Enclosures (2):

CFP Letter to Prime Minister Rt Hon Rishi Sunak MP (11.11.22) CFP Letter to Rt Hon Rishi Sunak MP (02.09.22) CC: Lord Callanan Graham Stuart MP