

HEAT

AND

EAT

BRIEFING



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HEAT AND EAT BRIEFING

This briefing is brought to you by Save Our Rights UK and Energy Support and Advice UK. We, along with many others,¹ have grave concerns about the soaring costs of energy, fuel and food. We are already seeing people being plunged into poverty and having to make the choice between being able to Heat OR Eat².

Not only is this a cost issue but we believe it is also a Human Rights issue.

The cost of living crisis is affecting people indiscriminately from workers, families, students, pensioners, the disabled and other vulnerable adults. The only people it's not affecting are the significantly well off who have a wide margin of disposable income, yet that margin is lessening.

One in three people already cannot afford to heat their home to comfortable level³ with one in three households struggling to pay their bills four months ago⁴ as it is while one in seven children were going hungry⁵. These numbers have only gone up.

The Government uses an out of date measure to assess fuel poverty and tells itself that it is reducing fuel poverty across the nation however other organisations, that don't have a vested interest, disagree.⁶ They believe it has been steadily rising and that it is about to jump up even further by 50% just in April despite the Government's proposed measures to assist.⁷

Fuel poverty is poverty, we do not believe there is a distinction. People need to be able to house themselves first and foremost, then feed themselves and heat their homes to an adequate standard. If there is a disparity between income and

¹ "As a former Treasury economist, I know the cost-of-living crisis is a"
<https://inews.co.uk/opinion/as-a-former-treasury-economist-i-know-the-cost-of-living-crisis-is-a-political-choice-not-a-necessity-1508736>.

² "UK cost of living crisis intensifies | Financial Times." 19 Jan. 2022,
<https://www.ft.com/content/3218692c-70bd-4d2c-ada3-3384c67082c5>.

³ "More than a third of Britons cannot afford to heat their home to a ..."
<https://yougov.co.uk/topics/politics/articles-reports/2022/01/26/more-third-britons-cannot-afford-heat-their-home-c>.

⁴ "Third of low-income households unable to pay bills, finds research."
<https://www.theguardian.com/money/2021/oct/21/third-of-low-income-households-unable-to-pay-bills-finds-research>.

⁵ "Measuring and mitigating child hunger in the UK - The Social Market"
<https://www.smf.co.uk/wp-content/uploads/2020/12/Measuring-mitigating-child-hunger-Dec-20.pdf>.

⁶ "Fuel poverty in the UK - House of Commons Library."
<https://commonslibrary.parliament.uk/research-briefings/cbp-8730/>.

⁷ "Fuel Poverty Statistics Explainer | National Energy Action."
<https://www.nea.org.uk/energy-crisis/fuel-poverty-statistics-explainer/>.

necessary outgoings for a reasonable standard of living then you are living in poverty.

The harms of living in poverty and cold homes are well known, the stress⁸, trauma⁹ and health implications¹⁰¹¹ are vast. Children from poor homes have worse attainment¹² in all areas and are more likely to end up committing crimes when older.¹³ Therefore when you look at the long term effects of poverty and the cost to public services it becomes quite clear that the best and most cost effective option is actually to keep people out of poverty in the first place.¹⁴

Yet people are not just numbers, they cannot be diminished to a number on a piece of paper that determines how costly they are. Each person deserves the dignity of being able to live a reasonable quality of life. For the Government to not take proactive action to keep people out of poverty is a choice and is therefore choosing to subject people to degrading treatment which is contrary to Article 3 of the Human Rights Act 1998.¹⁵

Article 3 is an ABSOLUTE right which means it cannot be infringed upon in any circumstance and to do so to ensure energy companies continue to make billions in profits is an utter disgrace, especially in what is meant to be a democratic society.¹⁶ We have the elderly choosing to not eat for days on end and children having to go to school with mouldy food on their clothes because their parents couldn't afford to wash and dry their uniform overnight during the week and had to wait until the weekend. This is degrading and an undignified way for people to live. The Government is currently making this choice.

⁸ "Parents living on a low income are under stress - Poverty and Social"

<https://www.poverty.ac.uk/report-parenting-families-low-income-households/parents-living-low-income-are-under-stress>.

⁹ "Child Poverty Causes Long-Lasting Financial Trauma-But Can Be"

<https://www.health.com/money/child-poverty-financial-trauma>.

¹⁰ "Key Facts: Poverty and Poor Health."

<https://www.healthpovertyaction.org/news-events/key-facts-poverty-and-poor-health/>.

¹¹ "Health matters: cold weather and COVID-19 - GOV.UK."

<https://www.gov.uk/government/publications/health-matters-cold-weather-and-covid-19/health-matters-cold-weather-and-covid-19>.

¹² "Impact of child poverty - NHS Health Scotland."

<http://www.healthscotland.scot/population-groups/children/child-poverty/child-poverty-overview/impact-of-child-poverty>.

¹³ "Childhood family income, adolescent violent criminality and ... - NCBI."

<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4180846/>.

¹⁴ "Examining the Hidden Cost of Poverty by Micheál

Collins." <http://www.social-policy.org.uk/spa-blog/examining-the-hidden-cost-of-poverty-by-micheal-collins/>.

¹⁵ "Human Rights Act 1998 - Legislation.gov.uk."

<https://www.legislation.gov.uk/ukpga/1998/42/contents>.

¹⁶ "Article 3: Freedom from torture and inhuman or degrading treatment."

<https://www.equalityhumanrights.com/en/human-rights-act/article-3-freedom-torture-and-inhuman-or-degrading-treatment>.

We believe that no-one in the UK should ever have to make the choice between Heating OR Eating and everyone ought to be able to Heat **And** Eat; we are campaigning for just that.

To achieve the target of everyone being able to Heat And Eat we believe there are three areas the Government needs to address as a matter of urgency:

- 1. HALT**
- 2. ASSIST**
- 3. ENERGY EFFICIENCY**

We propose this three part process to stop the situation getting worse, to help people now and to put measures in place to reduce bills long term.

We recognise that this is not something that can just have a plaster stuck over it, there will have to be a huge push from the Government for long term change, increased infrastructure, renewable energy, energy storage solutions and therefore a reduced dependency on imported gas and electricity.

For now though, we believe that these are the three areas in which the Government must act to ensure that all people in the UK can Heat **And** Eat:

HALT

We believe there are two things that the Government needs to Halt immediately:

- 54% price cap rise in April
- National Insurance Tax hike

We don't believe either needs to happen, and to allow it to happen, is choosing to force millions of people into poverty, contrary to Article 5.

Price Cap

The reality is that people's bills are not going up by 54%, we have seen energy companies asking for direct debits to go up by 625% in some instances. And bills with the potential to rise by 246% in absolute terms.

To start with, for the Government to allow bills to rise in such a way is an act of sheer folly as people will not be able to afford even average usage. Most energy companies' policy is that the minimum you have to pay is your usage for the previous

month unless you happen to be in credit, yet most are in debit. So if they won't let a person pay less than their usage but people can't afford it they will just stop paying.

This will mean they will go further into debt, it could result in court action and a CCJ therefore having an economic impact on them for a very long time - yet they still won't be able to afford to pay. This is projected to happen to millions of people and the economic impact on the nation will last for years to come.

We have seen many people discussing windfall taxes on the oil companies with it being set to generate £4bn revenue to then use to ease the burden¹⁷. We propose that the Government actually uses this to offer the energy companies a subsidy if they are willing to put in place the two year fixed tariff. We believe this would be far more beneficial to the people than another grant/loan scheme as well as being easier logistically.

It is likely that the energy companies to offer a two year fixed tariff, at today's rates, the energy companies may see their profits go down. However as they make billions^{18 19} each year we feel that it is right for them to take the hit and not the average working person.

National Insurance Tax Hike

The National Insurance Tax hike will hit the lowest income earners of this country the hardest, just as everything else is going up as well.

Economist Jeevun Sandher suggests that there is no necessity to increase National Insurance and that there is a way to raise the same amount of capital from a number of other sources that have no negative impact on the lower paid workers of the nation.

He proposes that you could get £5bn from a Capital Gains tax reform,²⁰ £5bn from taxing every transaction in the city,²¹ and £2bn from a mansion tax.²² These

¹⁷ "Windfall tax on oil giants could yield £4bn lifeline for bill payers."

<https://www.greenpeace.org.uk/news/windfall-tax-on-oil-giants-could-yield-4bn-lifeline-for-bill-payers/>.

¹⁸ "UK Big Six energy firms made more than £1bn in profit ahead of"

<https://www.opendemocracy.net/en/opendemocracyuk/uk-big-six-energy-firms-one-billion-pounds-profit-cost-of-living-increase/>.

¹⁹ "Big Six in the UK - statistics & facts | Statista."

<https://www.statista.com/topics/4935/big-six-energy-suppliers-in-the-united-kingdom-uk/>.

²⁰ "REFORMING THE TAXATION OF INCOME FROM WEALTH - IPPR."

<https://www.ippr.org/files/2019-11/capital-gains-tax-briefing.pdf>.

²¹ "Funding-Real-Change-2019.pdf - The Labour Party."

<https://labour.org.uk/wp-content/uploads/2019/11/Funding-Real-Change-2019.pdf>.

²² "UK: Mansion Tax Likely to Hit More Properties - Angloinfo."

<https://www.angloinfo.com/blogs/global/angloinfo-world-property/uk-mansion-tax-likely-to-hit-more-properties/>.

estimates equal what the Government is hoping to raise from the National Insurance Tax hike but only by taking money from those who can afford it, not those where it will force them to choose between heating or eating.

The Government needs to halt this tax hike with immediate effect.

ASSIST

Sadly, even without the price cap rising, peoples outgoings are hurtling through the roof, as food and petrol is also rising, making the cost of living unmanageable for many. This is after two years of Covid which has had enormous negative effects on people's economic well being.²³

We recognise that each council tax paying household will receive £150 in April and that there's a £200 energy credit loan as well, but we don't think this is anywhere near adequate. When the living standards outlook is so poor,²⁴ more has to be done.

If the price cap were to rise, the one off payment of £150 isn't enough and it's a one off payment that doesn't help long term. Furthermore as council tax is going up at the same time for many, this negates the benefit of this payment.

The energy credit loan won't help people who are already struggling with their bills and are in debt. Plus as it's a loan, it will push up people's bills in the future.

We propose that to truly assist people the Government needs to:

- Raise benefits in line with inflation and widen their reach
- Increase the Warm Home Discount and Winter Fuel Payments as well as expanding their reach
- Increase Local Housing Allowance (LHA) and the Benefit Cap in line with the local rents

Raising Benefits

Benefits have been subjected to a four year freeze which ended in 2020 however none of the rises since have been in-line with inflation. Yet again there will be an

²³ "Coronavirus: Economic impact - House of Commons Library."
<https://commonslibrary.parliament.uk/research-briefings/cbp-8866/>.

²⁴ "The Living Standards Outlook 2022 - Resolution Foundation."
<https://www.resolutionfoundation.org/app/uploads/2022/03/Living-Standards-Outlook-2022.pdf>.

increase in April however, they are only set to rise by 3.1%.²⁵ CPIH rose by 5.5% in the 12 months prior to January 2022 and it has accelerated hugely since then.

In order just to meet inflation, benefits would need to rise by at least 7% in April 2022, however arguably that won't be enough because:

1. Lower income households will face higher inflation rates as they spend more on food and energy.²⁶
2. Inflation is likely to be higher than 8% this year.²⁷

Therefore, we believe that benefits, namely Universal Credit, Tax Credits and Child Benefit must increase by at least 10% to take into account rising inflation. The Government must ensure that benefits enable people to live and having been assessed by learned economists, a 10% rise has been deemed the only credible amount.

There is little breathing space when on benefits as it is, and to not raise them inline with soaring costs of living, is a purposeful act which will result in millions having to live in poverty and misery. This would again be infringing upon Article 5.

We also believe that the scope of who can claim Universal Credit ought to be widened by at least the same percentage noting that wages are increasing at rates far behind inflation too, meaning more working people will also need help.²⁸

Finally we draw attention to the fact that mature students,²⁹ pensioners³⁰ and those aged under 25³¹ often find themselves at a disadvantage when claiming Universal Credit and during these times especially, we would ask that the way their claims are assessed be reconsidered.

Increasing Winter Payments

²⁵ "Benefits Uprating 2022/23 - House of Commons Library." <https://commonslibrary.parliament.uk/research-briefings/cbp-9439/>.

²⁶ "The cost of living crisis – who is hit by recent price increases? - IFS." <https://ifs.org.uk/publications/15834>.

²⁷ "Bank Rate increased to 0.5% - February 2022." <https://www.bankofengland.co.uk/monetary-policy-summary-and-minutes/2022/february-2022>.

²⁸ "UK workers' pay rises fall behind inflation amid cost-of-living crisis." <https://www.theguardian.com/business/2022/jan/18/uk-workers-pay-rises-inflation-unemployment-covid>.

²⁹ "How universal credit cheats mature students | Morning Star." <https://morningstaronline.co.uk/article/how-universal-credit-cheats-mature-students>.

³⁰ "Number of pensioners living in poverty tops two million | Press release." <https://www.ageuk.org.uk/latest-press/articles/2021/number-of-pensioners-living-in-poverty-tops-two-million/>.

³¹ "Universal Credit: What you'll get - GOV.UK." <https://www.gov.uk/universal-credit/what-youll-get>.

We believe that along with all the other measures that we have proposed that the Warm Home Discount and Winter Fuel payments should also increase to at least £200 for the Warm Home Discount and £150-£350 for Winter Fuel.

These payments are a lifeline for many people through the winter, and even without the price cap rise and with a fixed tariff for the next two years, many people have already experienced a dramatic increase to their bills over the last year. Therefore these payments are what enables people to choose to warm their homes in the winter.

We also believe, along with others, the scope of the schemes ought to be widened with eligibility increased to the 8.5 million households in receipt of either Pension Credit or working-age benefits, with automatic payments available to all.³²

Increase Local Housing Allowance

We are seeing rental rates rising higher than ever before,³³ essentially making it impossible for people to afford. The Local Housing Allowance has not been rising in line with these and it cannot be ignored.³⁴

We have a homelessness crisis in the UK³⁵ and waiting lists for social housing are years long already. Noting that 70,000 households became homeless through the first year of the pandemic.³⁶ We know the Government cannot magic up more social housing out of nowhere, but what they can do is make it affordable for people to find private rents when necessary. This means the Government needs to take a realistic assessment of current private rental markets and raise the LHA accordingly. This needs to happen at regular intervals, we propose every six months.

We also recognise that many people are seriously disadvantaged by the benefit cap when they are in areas with above average rental rates. It can essentially cost people out of areas that may well be their home town with their support network. When people are forced to do so it has many social and economic impacts.

³² "Higher and higher - Resolution Foundation."

<https://www.resolutionfoundation.org/publications/higher-and-higher/>.

³³ "Renters face perfect storm of price rises in 2022 - This is Money (UK)."

<https://www.thisismoney.co.uk/money/buytolet/article-10379353/Renters-face-perfect-storm-price-rises-2022.html>.

³⁴ "Government forecasts for continued Local Housing Allowance freeze."

<https://www.insidehousing.co.uk/news/news/government-forecasts-for-continued-local-housing-allowance-freeze-73094>.

³⁵ "Homelessness Monitor | Crisis UK | Together we will end"

<https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/>.

³⁶ "70000 households in UK made homeless during pandemic."

<https://www.theguardian.com/society/2021/jan/09/70000-households-in-uk-made-homeless-during-pandemic>.

Therefore we call on the Government to also raise the benefit cap in line with above average rental rates where applicable.

No one in the UK needs to be homeless, it is a political choice and the Government needs to start making a better one.

ENERGY EFFICIENCY

Poor insulation causes a huge and unnecessary increase in people's energy bills and in some cases, up to 60% of heating is lost.³⁷

We recognise that the Government already has funds and grants available to help with this, however we believe they are inaccessible to many, and there isn't enough money allocated to cover the nations needs.³⁸

If the Government secured two year fixed tariffs from the energy companies, raised benefits accordingly and then put enough funding into bettering energy efficiency when the fixed tariffs came to an end in two years, an increase would be more manageable.

We believe that the Government's priorities in this area to ensure that people can Heat **And** Eat long term ought to be:

- Increase the amount of funding available
- Make the funding more accessible and work on reaching those most in need
- Ensure all homes are up to a minimum category D EPC within 2 years

Increase Funding and Accessibility

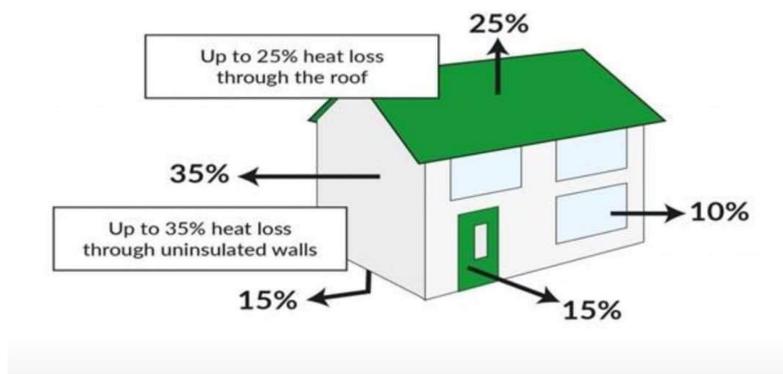
Currently the funding available is not only not enough but it is also not accessible. This has to change because to enable people to be able to afford energy once our

³⁷ "Britain's leaky homes make the energy crisis worse. Why have"
<https://www.theguardian.com/commentisfree/2021/sep/28/britain-homes-energy-crisis-governments-insulation-low-carbon-heating>.

³⁸ "Analysis: Cutting the 'green crap' has added £2.5bn to UK energy bills."
<https://www.carbonbrief.org/analysis-cutting-the-green-crap-has-added-2-5bn-to-uk-energy-bills>.

proposed 2 year fixed tariffs are finished, their individual usage needs to be down considerably.

Better insulation is key for many³⁹ but we believe that the funding needs to be available for whatever is needed based on a comprehensive and impartial assessment of each home.⁴⁰ Recognising that heat and energy can be lost from many different sources.



We believe that the amount of funding available needs to increase. We propose that the cost of getting all homes out of Categories E, F and G EPC needs to be independently assessed and then the Government then needs to increase the funding available accordingly.

Another area that needs reform is how accessible the funding is.⁴¹ There are many learned people out there aware that funding exists in their area but are completely unable to access it. That therefore means that there will be millions more that are also incapable of accessing it, recognising that funding is often needed most by the more vulnerable in our society who are known to have issues with accessing services.

We believe the Government will need to be proactive in reaching out to those people to ensure they know what help is available.

³⁹ "How to insulate your home and stay warm this winter - Energy Saving"
<https://energysavingtrust.org.uk/insulating-your-home-back-to-the-basics/>.

⁴⁰ "Top 10 tips for improving your domestic EPC rating - TheGreenAge."
<https://www.thegreenage.co.uk/top-10-tips-improving-domestic-epc-rating/>.

⁴¹ "Tories 'worsening heating bill crisis by scrapping home insulation"
<https://www.independent.co.uk/news/uk/politics/energy-bills-insulation-green-homes-grant-voucher-scraped-b1926576.html>.

EPC Category D For All in 2 Years

We recognise that the Government already has targets of Category C for all rental properties however we feel that this is too ambitious. We propose an interim target of that in two years no one should be living in a home that is below a Category D EPC rating. We believe that this is an entirely attainable target as the average rating in all areas is already category D meaning that there are not huge amounts of people in Categories E, F or G. It is usually those that are more vulnerable who are living in homes in these categories and therefore it is absolutely right to prioritise them.

It would be preferable to bring all those in Category E, F or G up to Category C. Recognising that the difference in energy efficiency between a Category F and Category C is on average 58%.⁴² This would mean their energy usage would dramatically reduce which would cushion the impact of any future energy price rise.

Medium term

We recognise that all these actions are short term actions and that far more needs to be done in both the medium and longer term⁴³. We won't go into them in much detail here as our main focus is preventing the impending poverty crisis that we are facing in the short term and standing up for people's Human Rights in the face of the Government's inhumane actions.

However we would like to draw attention to two brief points:

- Heat source air pumps - these have been proven to currently be ineffective in all homes under a Category C EPC and are a very costly measure. We would suggest that as production becomes more widespread and streamlined, as well as the products improve their technology in the future, they will become a preferable option. However that is not the case currently.⁴⁴
- Electricity storage - one of the areas that lets us down in terms of the renewables in this nation is the lack of storage for electricity generated. We have over 10,000 turbines here in the UK but we are not able to make the

⁴² "Headline consumption tables - GOV.UK."

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1008727/Consumption_headline_EW_2019.xlsx.

⁴³ "Solutions Explorer - Solar Impulse Foundation." <https://solarimpulse.com/solutions-explorer>.

⁴⁴ "Decarbonisation: Heat pumps in the home - Baringa: Putting people"

<https://www.baringa.com/en/insights-news/points-of-view/decarbonisation-heat-pumps-in-the-home/>.

most of them. We believe this ought to be another area of focus as when we are importing far less electricity the costs will naturally go down.^{45 46}

There are many more areas that the Government needs to take action to ensure that it is not just kicking this problem can down the road. It has been dithering on these issues for decades and are now saying that we, the people, should pay the price. We are not in agreement.

Conclusion

We believe that the Government has a duty of care to the people of this Nation and to not take these actions would be an infringement of our Human Rights, forcing people to live in cold homes with not enough food, is cruel and inhumane.

This is a political choice, at a time when all MP's are taking a pay rise. Now is the time for the Government to make the right choice for the people and uphold their Human Rights.

⁴⁵ "Energy storage report: can storage help reduce the cost of a future"
<https://www.carbontrust.com/resources/energy-storage-report-can-storage-help-reduce-the-cost-of-a-future-uk-electricity-system>.

⁴⁶ "Top ten UK battery storage projects forecast for 2021 completion."
https://www.solarpowerportal.co.uk/blogs/top_ten_uk_battery_storage_projects_forecast_for_2021_completion.