

## TAKING THE POOR INTO A LOW ENERGY FUTURE



During our time in office, the Labour Government has made some genuinely radical commitments on both the eradication of fuel poverty and our response to climate change. This makes it all the more frustrating to be confronted by two apparently intractable facts. The first is that we have as many households in fuel poverty now as when Labour came to power. The second is that with excess winter deaths running at 27,480, last year, this too is a figure that steadfastly refuses to fall.

Last year's "excess winter deaths" figure marked a 7% increase from the previous year's figures. Colder countries like Finland had excess winter deaths of 10% whilst the UK figure was in excess of 18%. It presents one of the biggest social and climate change challenges of the decade ahead.

At one level, the Government's 2020 aspiration of 7 million homes being offered the opportunity to take up "whole-house" improvements in energy efficiency sounds impressive. The difficulty is that an 'opportunity' is not the same as a target or a guarantee. Nor is it a strategy for taking Britain from where we are now to where we need to be. No amount of 'consultations' are going to deliver the eradication of fuel poverty. Nor will climate change wait for us to run out of pilot schemes that play about at the edges of fuel poverty deaths.

My own belief is that any British government is going to have to borrow and invest its way out of the current economic crisis. The question is whether we do so by investing in (and transforming) the real economy in which people live rather than the virtual economy of the financial services sector. Eradicating fuel poverty is one of the most practical ways of defining the difference.

Britain probably needs a programme of improving almost 2 million dwellings a year through to 2020. Of these, at least 500,000 a year should be properties categorised as "hard to treat". In particular, it should require a national commitment to raise all social sector housing to Energy Performance Certificate (EPC) band B by 2020.

By early 2010 the Government is committed to introducing preferential 'feed-in tariffs' for the supply of renewable energy generated from homes and communities. The challenge is to see whether we can do so in ways that begin from the fuel poor rather than ways that bypass them. We need to set out new mechanisms that incorporate energy generating systems into the programmes for uprating social housing and hard-to-treat properties.

It requires a presumption that we will find ways to 'give' such systems to the fuel poor and recoup the installation costs from the income stream that comes from the renewable energy tariffs. This is already happening in other parts of Europe. The question is whether Britain will be brave enough to introduce tariff structures that will promote a race into renewables rather than a paddle.

There are substantial costs in such a programme. These are normally rolled out to scare politicians away from making such a commitment. What we have been blind to is the massive environmental and economic gains that are part of the same package. I tried to bring German politicians to explain this, in simple terms, to the UK Government. A German 'Lander' (county) of around 1 million people spends roughly 3.5 billion euros (£3 billion) on energy consumption each year. Germany calculated that, by spending this money on their own renewable energy generation, rather than on external sourcing, they would actually generate income for themselves rather than lose money.

Germany has created 350,000 jobs in the making and installing of renewable energy systems. This involves people receiving wages and paying taxes as well as delivering energy security and saving lives. It is a different ethical and ecological approach to 21st century economics. Building workers caught in the crash of the UK's economic crisis would leap at the prospects of being the drivers of such a change here.

This is not a soft-option bailout. It should finance only the leap into tomorrow's low energy future rather than prop up today's apology for it. Feed-in tariffs will probably allow the better-off to drive this change for themselves. The political and moral challenge of our time is whether we can come up with financial mechanisms that can drive Britain into a low energy future that begins from the fuel poor.

Turning 500,000 of our poorest dwellings per year into energy generating homes would allow us to reclaim the cost of transformation from the income that the green energy systems deliver. Fundamentally, however, these changes would save the lives of the poor as much as they would save energy. The cash, we can recoup over a decade. It's the lost lives we would never get back.