

# Briefing

## Insulating homes in West Cumbria: a better way to create jobs and save money

Communities Secretary Michael Gove is due to decide by 8 December whether to grant planning permission for a controversial new coal mine near Whitehaven to provide coking coal for the steel industry. Friends of the Earth has opposed the mine since it was first proposed by West Cumbria Mining, because it would increase carbon emissions, because the market for coal is declining and because investing in more fossil fuels is not the right way to create jobs.

But local people understandably want jobs. Analysis by Friends of the Earth shows that a programme to improve the energy efficiency of all homes in West Cumbria by 2030 could:

- Cut household energy bills.
- Create up to 600 jobs, more than the employment claimed for opening the mine.
- Reduce the health impacts of cold homes.
- Cut carbon emissions rather than increase them, as the proposed mine would do.

This quadruple benefit means that investing in improving home energy efficiency is a much better option for West Cumbria than opening a new coal mine which, as it is purely to provide coal for the steel industry, would do nothing to cut people's energy bills.

### **The West Cumbria area**

This briefing takes West Cumbria as being an area made from the current council areas of Copeland, which includes Whitehaven, and the neighbouring council Allerdale<sup>1</sup>. Clearly, the wider the area considered, the greater the benefits would be.

### **The energy bill crisis in West Cumbria**

Despite the Government having frozen the price of energy for this winter, the typical household will still pay a maximum of £2,500 a year, almost double last winter's level of £1,277 a year.

Government data shows that 14.6% of households in Copeland and 15% of households in Allerdale were classed as in fuel poverty in 2020<sup>2</sup>. This number will have increased substantially following fuel price rises in April and will rise further this winter following the increases in October which, together with the wider cost of living crisis, is increasing the number of people on the poverty line.

### **How many homes in Copeland and Allerdale need energy efficiency upgrades?**

Copeland has a population of just over 68,000 living in 33,705 homes<sup>3</sup>. The energy efficiency of homes is shown by their Energy Performance Certificate (EPC), band 'A' for a very well insulated and energy efficient house, band 'G' for the least efficient

Analysis by Friends of the Earth of government data shows that 69% of homes in Copeland - a total of 23,256 homes - have an EPC rating of D to G, meaning that they are not energy efficient and so cost more to heat<sup>4</sup>. The government recommends that all homes should have an EPC rating of C or higher by 2035, but that would mean that people already struggling with energy bills could face many more years of cold and hardship. Friends of the Earth believes that we should aim to bring all homes to EPC C or better by 2030 at the latest. In Copeland, that means upgrading an average of 2,915 homes a year from 2023 to 2030.

Allerdale has a population of nearly 98,000 living in 48,314 homes<sup>5</sup>. Of these, 68% - 32,853 homes - have an EPC rating of D to G<sup>6</sup>. Bringing all these homes up to EPC C or better by 2030 would mean upgrading an average of 3,650 homes a year from 2023 to 2030. Given the energy bills crisis, this programme should be front-loaded, with the aim being able to insulate as many homes as possible as soon as possible.

Friends of the Earth's analysis shows that between them Copeland and Allerdale have 33 'energy crisis hotspot areas'<sup>7</sup>. These are neighbourhoods where typical household income is below the national average and energy use is higher than average, in many cases because homes are poorly insulated. These neighbourhoods include parts of Whitehaven. These are the neighbourhoods where insulation is most needed.

### Lower energy bills would boost the local economy

Investing in insulation could save householders hundreds of pounds a year: At current prices:

- Moving from EPC band D to EPC band C would save an average of £450 per year; and
- Moving from EPC band E to EPC band C would save an average of £1348 per year<sup>8</sup>.

Thus the total saving across West Cumbria to 2030 from upgrading every inefficient home to at least EPC level C would be tens of millions of pounds. This money would therefore be available for people to spend, helping boost the local economy.

### Creating jobs by upgrading homes

Recent work by thinktank IPPR North<sup>9</sup> has calculated that retrofitting 2,409,900 homes in north-west England to achieve an EPC 'C' rating could create 26,000 direct jobs<sup>10</sup>. This equates to 1 job created for every 93 homes needing to be upgraded.

Applying this to West Cumbria, this suggests that upgrading the 56,109 homes in Copeland and Allerdale could create up to 600 direct jobs<sup>11</sup>. Most of these could expect to be based in West Cumbria and filled by local people. There could also be additional job creation through 'indirect' jobs in supply chains and 'induced' jobs in shops and pubs for example, as a result of additional spending from both new local jobs and local people spending less on energy bills. This figure compares favourably to West Cumbria Mining's claim that the proposed Whitehaven mine would create around 500 direct jobs<sup>12</sup>.

### Reducing health impacts from cold homes

Poorly-insulated and cold homes lead to health impacts. These include causing and worsening respiratory conditions, cardiovascular diseases, poor mental health, dementia, hypothermia and childhood development problems<sup>13</sup>. The costs to the NHS are vast. In 2019, it was estimated that the NHS spends at least £2.5 billion a year nationwide on treating illnesses that are directly linked to cold, damp and dangerous homes<sup>14</sup>.

Maybe the most shocking health impact is on excess winter deaths. The number of people dying typically rises over the winter months due to the impact of cold weather on chronic conditions such as respiratory and cardiovascular disease. This is known as 'excess winter deaths'. In the winter of 2019/2020 (the last pre-COVID winter for which data is available) there were 29,290 excess winter deaths in England and Wales<sup>15</sup>. It has been estimated that over 20% of excess winter deaths are due to cold homes<sup>16</sup>.

Improving the energy efficiency of homes in West Cumbria would reduce these health impacts and reduce the cost burden on the NHS and local councils. This could potentially free up public money to be spent in other areas.

### Lower carbon emissions

Heating the UK's homes produces a sixth of total UK carbon emissions<sup>17</sup>. The Government has written that '*We must intensify our efforts and eliminate virtually all emissions arising*

from heating, cooling and energy use in our buildings”<sup>18</sup>. Improving the insulation of a home by fitting loft and cavity wall insulation could reduce emissions by a half.

This contrasts sharply with the climate impact of opening the proposed new coal mine in Whitehaven. The chair of the Climate Change Committee - the government’s official advisors -has written that it would *‘increase global emissions and have an appreciable impact on the UK’s legally binding carbon budgets’*<sup>19</sup>.

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<sup>1</sup> From 1 April 2023, Cumbria County Council and the six district councils of Cumbria will be replaced by two Unitary Authorities. Allerdale, Copeland and Carlisle will become part of Cumberland Council.

<sup>2</sup> HM Government, 2022, Sub-regional fuel poverty data 2022,

<https://www.gov.uk/government/statistics/sub-regional-fuel-poverty-data-2022>

<sup>3</sup> Friends of the Earth ‘Near You’ data for Copeland <https://takeclimateaction.uk/near-you/local-authority/copeland?postcode=ca201ep#overview>

<sup>4</sup> Friends of the Earth ‘Near You’ data on homes in Copeland <https://takeclimateaction.uk/near-you/local-authority/copeland?postcode=ca201ep#homes>

<sup>5</sup> Friends of the Earth ‘Near You’ data for Allerdale <https://takeclimateaction.uk/near-you/local-authority/allerdale?postcode=ca139sx#overview>

<sup>6</sup> Friends of the Earth ‘Near You’ data on homes in Allerdale <https://takeclimateaction.uk/near-you/local-authority/allerdale?postcode=ca139sx#homes>

<sup>7</sup> For full details, see <https://friendsoftheearth.uk/climate/new-research-reveals-nearly-9000-energy-crisis-hotspots-england-and-wales>

<sup>8</sup> Kingfisher, 2022, ‘Tackling the UK’s energy efficiency gap – UK homes efficiency report 2022’, <https://www.kingfisher.com/en/media/campaigns/energy-efficiency.html>

<sup>9</sup> IPPR North, 2020, ‘Northern Powerhomes: A Green Recovery Plan to Decarbonise Homes in the North’ <https://www.ippr.org/research/publications/northern-powerhomes>

<sup>10</sup> Direct jobs are, in this case, those in the retrofitting of homes. The investment is also likely to create ‘indirect’ jobs in supply chains and ‘induced’ jobs generated by the additional economic activity more generally, such as in shops or pubs.

<sup>11</sup> An important caveat is that this is based on applying regional-level analysis at the local level.

<sup>12</sup> See <https://www.westcumbriamining.com/register-your-interest/jobs-education-training/>

<sup>13</sup> Institute of Health Equity, 2022, ‘Fuel Poverty, Cold Homes and Health Inequalities in the UK’, <https://www.instituteofhealthequity.org/resources-reports/fuel-poverty-cold-homes-and-health-inequalities-in-the-uk/read-the-report.pdf> page 4

<sup>14</sup> Institute of Health Equity, 2022, ‘Fuel Poverty, Cold Homes and Health Inequalities in the UK’, <https://www.instituteofhealthequity.org/resources-reports/fuel-poverty-cold-homes-and-health-inequalities-in-the-uk/read-the-report.pdf> page 4

<sup>15</sup> Office for National Statistics, ‘Excess Winter Mortality in England and Wales: 2020 to 2021 (provisional) and 2019 to 2020 (final),

<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/bulletins/excesswintermortalityinenglandandwales/2020to2021provisionaland2019to2020final>

This figure is calculated by comparing the number of deaths in the December to March period with the preceding August to November and the following April to July.

<sup>16</sup> Institute of Health Equity, 2022, ‘Fuel Poverty, Cold Homes and Health Inequalities in the UK’, <https://www.instituteofhealthequity.org/resources-reports/fuel-poverty-cold-homes-and-health-inequalities-in-the-uk/read-the-report.pdf> page 4

<sup>17</sup> HM Government, 2021, Heat and Buildings Strategy,

<https://www.gov.uk/government/publications/heat-and-buildings-strategy> figure 2 page 29

<sup>18</sup> HM Government, 2021, Heat and Buildings Strategy,

<https://www.gov.uk/government/publications/heat-and-buildings-strategy> page 9

<sup>19</sup> Climate Change Committee, 29 January 2021, ‘Letter: Deep Coal Mining in the UK’ <https://www.theccc.org.uk/publication/letter-deep-coal-mining-in-the-uk/>