

TACKLING FUEL POVERTY DURING THE GREAT TRANSITION – 7 PRINCIPLES FOR CLIMATE ACTIVISTS

1 *The fuel poverty facing many households and the climate crisis facing us all must be tackled in synchrony.* If they are not dealt with together, each problem worsens the other. Fuel poverty, accentuated by a price spike, has led to calls questioning support for renewable energy and has clear potential for social and political instability. Yet the necessary action on fuel poverty must not be at the expense of the climate. Households on benefits, or with low and insecure earnings, will be the least able to protect themselves from the consequences of weaker climate policies.

2 *Fuel poverty should be addressed primarily by increased income, not reduced fuel prices.* What those in fuel poverty need is more money. They know their priorities. And it must be money they can rely on – not complicated special payments, or means tested and arriving late to tackle a spike in prices..

3 *What businesses and our economy need for the transition to zero carbon is an underlying trend of rising carbon prices.* Economists and business federations agree on this. Most businesses can deal with price fluctuations, or are learning how to. Carbon subsidies and tax reliefs are a part of the problem not part of the solution.

4 *The direction of travel for public finances should be away from the present high degree of carbon reliance and towards sustainable, post-carbon sources of revenue.* An overhaul of the UK's current mish-mash of fossil fuel taxes and subsidies is long overdue. A coherent approach would raise more funds, be fairer and simpler, support the drive to carbon neutrality. This is bound to take time - so the sooner the taxation system starts down this road the better.

5 *Likewise, the direction of travel for income support during the great transition should be from indirect to direct payments.* That is, from transfers hidden in a tax or benefits system to discrete, climate-related payments, labelled as such and paid directly. Citizens need to know that they are being supported in tackling the climate crisis, and enabled to play their part.

6 *Consistent policy on carbon pricing, fiscal reform and income support requires a cross-party political consensus.* Surveys have repeatedly shown that the public mood is to find and sustain the common ground, and to get on with the job. Political contestation on other issues – including other climate and environmental policies - can and should continue, both locally and nationally. But a framework to tackle the great work of this decades-long transition is needed. These are three essential elements for such a framework.

7 *Communicate, communicate, communicate.* Public trust in politicians needs to be restored if sometimes unpopular policies are to be sustained. A cross-party consensus in Westminster needs the backing of public opinion, and its calls will be taken more seriously by the public than party-political pronouncements. Especially when promised action follows. Nothing is clearer and more convincing than a payment direct to your bank account.

Climate income has the clear potential to satisfy all these principles – and at the same time boost every other policy to cut out carbon and promote alternative fuels.