

Media release
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Decarbonising housing is not an optional extra

thelabourcampaignforcouncilhousing.org

Labour's Green Prosperity Plan

After weeks of will they won't they, and contradictory statements from different members of the shadow cabinet, Labour's Green Prosperity Plan has been cut from £28 billion to £15 billion, of which only £5 billion is in addition to Tory spending plans. The "fiscal rules come first" we are told.

This, the latest U-turn, is a big deal because Rachel Reeves, in her pamphlet, *A new business model for Britain*, said that the GPP was "the centrepiece of Labour's economic policy."

This retreat will have a huge impact on housing policy. Of the £28 billion originally committed to, £6 billion a year for 10 years was directed at insulating 19 million homes, deemed to need it. But Labour is now intending to spend just £6.5 billion over five years (instead of £30 billion), a meagre £1.3 billion a year. According to the Guardian

"The cuts in spending on the warm homes plan will also mean the party reducing its targets for the number of properties it can insulate. Starmer said Labour now intended to insulate 5m homes over the first five years of government, and that it would take as long as 14 years to reach the 19m target."

Bear in mind that nothing has been said about funding of heat pumps, required to decarbonise homes, and you can see that the climate emergency is not being dealt with as an emergency. The 'fiscal rules' trump everything.

Secretary Martin Wicks said:

"Decarbonising existing homes is not an optional extra. It is urgently necessary if the climate emergency is to be tackled. The Local Government Association estimates that to retro-fit and decarbonise existing council housing alone, will cost at least £23 billion. Local authority housing revenue accounts are grossly under-funded. They cannot conceivably find funding on that scale. In the last financial year, collectively they only spent £541 million on capital expenditure, for renewal of key housing components, to maintain the decent homes standard, new build and the small amount of retro-fitting taking place.

History shows us that we can pay for what is necessary. After all, the Atlee government set up the NHS and built 1 million council homes at a time when the debt to GDP ratio was 250% rather than the 100% today. He was told "we can't afford it."

Maintaining the current regressive taxation system is not necessary, it's a political choice. Returning to a progressive one can help provide the funding to do what is necessary. For example, the TUC has called for the equalisation of capital gains tax with income tax, estimated to raise more than £10 billion a year, and a modest wealth tax on the richest 140,000 individuals which would do likewise."

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