

GUIDE TO REDUCING FUEL AND ELECTRICITY COSTS DURING THE COST-OF-LIVING CRISIS

The cost of fuel and electricity has risen enormously over the last few months and is widely expected to rise still more. Non-domestic users don't even have the small comfort of the unit price cap that has been set for households. We want to help you get through this difficult period, while also making sure the Government is aware of the potential impact on England's community facilities.

Here are some things you can do, followed by what ACRE are doing:

1. REDUCE YOUR USAGE

The [Centre for Sustainable Energy has a range of freely downloadable resources, available via this link](#), including a self-audit checklist to help you identify energy saving measures. Some of these will need planning and funding, but others will be low-cost and easy to achieve.

2. REVIEW YOUR ENERGY CONTRACT/SUPPLIER

At the end of your contract, as with domestic bills, it can pay to shop around. Some organisations use an energy broker to do the hard work for them and get access to bulk-buy discounts - [you can find a list of energy brokers via this link](#).

Our national partner charity, Action with Communities in Rural England (ACRE), recently ran a survey to get a better picture of the national situation for rural community halls, in partnership with energy brokers Utility Aid. [Click this link to see ACRE's briefing which draws on interim data from the survey](#).

3. CHECK YOU ARE ON THE RIGHT VAT RATE

If your electricity and / or fuel usage is below certain 'de minimis' levels (defined: too trivial or minor to merit consideration, especially in law) then you're eligible to pay just 5% VAT on your bills, rather than the standard 20% rate that businesses pay. Your supplier should apply the correct rate automatically but it's worth checking.

Charities also qualify for the 5% VAT rate if at least 60% of their usage is 'otherwise than in the course or furtherance of a business'. Sadly, hiring rooms / space for payment doesn't qualify as non-business. But if a fair amount of your usage can be classed as 'non-business' then it might now be worth doing the calculation so the 5% VAT rate can be applied to that amount, given the horrendous cost of electricity and fuel at the moment.

Full details can be found in **Village Hall Information Sheet 26**, including the 'de minimis' levels for qualifying for the 5% VAT rate. Please contact frankie@communityimpactbucks.org.uk to receive a copy.

4. REVIEW YOUR HIRE CHARGES

Whilst you can save energy by implementing some energy-saving measures, given the size of the increase in energy costs it is likely that you will have to increase your hiring charges to recoup some of your increased costs. You should ideally be reviewing your hiring charges annually in any case – small regular increases are much more palatable than big jumps.

Full details on how to calculate your costs and work out a scale of hiring charges can be found in our **Guide to Hiring Costs**. Please contact frankie@communityimpactbucks.org.uk to receive a copy.

Some halls are using reserves built up during the Pandemic due to the business grants to help cushion groups from the impact, but this is not going to be sustainable unless energy prices come down substantially in the future.

5. WHAT ACRE ARE DOING AT A NATIONAL LEVEL

Government needs to act quickly and decisively to avert the closure of village halls this winter, but a longer-term strategy is needed to upgrade these buildings, so they are more energy efficient. If village halls can stay open this winter, they will also be well placed to serve as refuges for people wanting to shelter from the cold.

Specifically, ACRE are calling for the following interventions:

1. Temporary financial support, in line with that afforded to other public buildings to cover increased energy costs this winter
2. A permanent reduction in the tax payable by village halls on their energy bills
3. Dedicated longer-term grant funding for making energy improvements to community buildings
4. Financial support for village halls to become [Warm Hubs](#) as has been pioneered by Community Action Northumberland (CAN) where people can socialise in warm, welcoming spaces and receive energy advice at the same time

ACRE also suggests you **write to your MP and local councillors** about the help you need to get through the coming months. It's worth noting that the Government has recently awarded funding to several pilot programmes aimed at reducing loneliness through transport schemes to help people access services and activities - [the Tackling Loneliness With Transport fund, available via this link](#). This will have much less impact if there are widespread closures of community facilities due to unaffordable energy bills.

We have three main requests:

- For utility companies to bring in a special tariff for charities
- 5% VAT (or even 0%) on all utility supplies to premises run by a charity
- More national funding for community halls ([please note your interest in the Platinum Jubilee Fund, available via this link, if you haven't already](#))

For further reading, [click this link for an article on soaring energy prices from charity sector media body Civil Society](#).

For more info, please contact Frankie Hockham,
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Thanks to [Action Hampshire](#) our equivalent organisation in Hampshire for sharing their notes and experience on this subject.

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