

# FACTSHEET

## TACKLING THE COST-OF-LIVING CRISIS THROUGH CLIMATE ACTION

In November, Business in the Community (BITC) launched [Our Route to a Net Zero Climate Resilient Future: A Business Manifesto for a Just Transition](#). This was informed by a YouGov survey on the relationship between climate change and the cost-of-living crisis. This factsheet provides an analysis of the findings.

### Introduction

BITC's focus on a just transition for a net zero and climate-resilient future kicked off with [The Right Climate for Business: Leading a Just Transition](#) Report in January 2022. Since then, the cost-of-living crisis has been hitting businesses and communities across the UK, offering a stark reminder that inequalities in society are accentuated through crises.

Many of the solutions to the climate crisis will also tackle the cost-of-living crisis and the [Business Manifesto for Just Transition](#) launched on 29th November 2022 set out recommendations on how to effectively dovetail approaches to these crises. To inform this, BITC worked with YouGov to understand what the UK public thought about the relationship between the climate crisis and the cost-of-living crisis. From the 16th to 21st November 2022, 2,008 adults completed a YouGov online survey.

### Climate Change and the Cost of Living

BITC found that half of UK adults believe that if action to address climate change had happened sooner, bills including food, fuel and energy would not be as high as they are today.

The research also found that 18-24-year-olds are more likely to agree with this statement (58%) compared to those aged 55 or over (39%). Younger generations have been mobilising around climate change issues, which was recognised at COP27 with a dedicated day to Youth and Future Generations. The concern about climate change is not new and for some years, younger generations have campaigned for a green transition, notably in 2010, the UK Department of Energy and Climate Change Youth Advisory Panel launched its first-ever report *Energy: How Fair is it Anyway?*<sup>i</sup> The report was based on the perspectives of people who will have their adult lives influenced by decisions currently made. The findings found that over 90% were in favour of solar power, offshore wind, and wave energy as fair energy technologies<sup>ii</sup>. Over 11 years ago, young people had an almost unanimous agreement that the transition to renewable energy technologies would ensure fairness and that government must 'think hard before cutting investment in renewables.' The lack of movement on the climate agenda resulted in the creation of Friday for the Future school marches seen across the globe. Youth voices reinforce the recent findings by BITC and YouGov that if the transition to renewable energy had been



implemented sooner, fairer energy sources would be available.

Energy underpins every aspect of modern life and successful economies. With recent economic challenges resulting from Brexit, the COVID pandemic and the war in Ukraine, action to tackle the climate crisis has been undermined. King's College London and Policy Institute's 2021 research *Who Cares About Climate Change?*<sup>iii</sup> had similar findings, with 66% of Generation Z agreeing that environmental concerns should be prioritised over economic growth in comparison to 44% of baby boomers<sup>iv</sup>. The insights above suggest how younger generations are more aware of the systemic functions driving the climate crisis. This is critically important to business as corporations should endeavour to recruit staff from various age groups to access a diversity of knowledge.

## Lifestyle, Climate Action and Government Support

**7/10 (68%) of UK adults think they need government and businesses to make it easy and affordable to change their lifestyle to address climate action.**

In October 2021, The Department of Business, Energy and Industrial Strategy (BEIS) modelled the potential regional economic impacts of the transition to net zero in the Northeast of England. It was found that the region is likely to benefit through 27,000 additional jobs and £1.9 billion of gross value added by 2050<sup>v</sup>. These transitional outcomes would provide significant help to the cost-of-living pressures. However, there has been little work on the policy needed to ensure these benefits come to life. This could explain the regional differences in our research, with the highest agreement found in Scotland (73%) and the lowest in the Northeast of England (59%). Limited acknowledgement of the role government and business have in Northeast England could indicate a breakdown in trust. According to the British Social Attitudes (BSA) Survey in 2019, only 15% of respondents said they trust the government either "most of the time" or "just about always" which the pollsters described as the lowest level recorded in

more than 40 years<sup>vi</sup>. Although not exclusive to Northeast England, the extremely low rates of trust coupled with limited transition plans could indicate an explanation for this regional difference.

The theme of trust reinforces BITC's and YouGov's research in 2021, as the public thought business will not make the changes necessary to address climate change. Only 24% of customers are aware of what businesses are doing on climate action, and of the, 62% don't trust businesses to do what they promise<sup>vii</sup>. This is a clear reminder that communities want to know how businesses are contributing to climate solutions through their business models to shift lifestyle change. This is especially important considering the purchasing power mobilised through businesses, with the number of UK private sector businesses at the start of 2021 standing at 5.6 million<sup>viii</sup>.

## Affordable and Sustainable Products and Services

### Energy-saving products and services

**Only four in 10 UK adults (43%) said that they have access to affordable and sustainable energy-saving products and services, with people aged 18-24 less likely to agree (36%) compared to those aged 55 or over (44%).**

The variations in age could be partly explained through policy interventions directed at older, more vulnerable groups, for example, the winter fuel allowance for pensioners, of £140 in 2020<sup>ix</sup>.

There were also regional variations, with only 34% of people in the East Midlands agreeing that they could access affordable and sustainable energy-saving products and services, compared to 43% across England. The Warm Welcome campaign<sup>x</sup> group has nearly 2,700 warm banks open across the country with 230 in the East Midlands<sup>xi</sup>. With the recent rise of facilities in Leicester and the rural nature of much of the East Midlands, it may be that new energy technologies are not being disseminated to these communities. However, technology faults have been seen across the UK, with reports of millions of homes stuck with

outdated meters, resulting in communities falling into energy poverty. The government's financial interventions with energy bills have not been meeting expectations as new technologies, Smart-PAYG, were favoured and those paying on old-style PAYG going undetected by their supplier<sup>xii</sup>. To overcome such issues, energy companies are likely to shift people who struggle to pay their bills to prepayment meters which are more expensive, adding to the cost-of-living pressures. Nevertheless, businesses should be pressuring the government for long-term energy transition plans instead of concentrating on short-term policy fixes.

## Greener food choices

**46% of those from higher social grades said they have access to affordable and sustainable food choices, compared to 36% of those from lower social grades.**

Social grade is consistently significant across all products and services in terms of sustainability and affordability. Consistent trends indicate that businesses should be challenging profit margins made across products and services and use data to make interventions that directly support communities. In BITC's Member Cost-of-Living survey, it was found that 92% of respondents worked within partnerships to deliver support to communities<sup>xiii</sup>. More information can be found in BITC's factsheet [Cost-of-Living Crisis: How Employers are Taking Action](#).

The most significant difference between products and services and social grade is food. Which? has convened the Affordable Food For All campaign<sup>xiv</sup> and found over 85% of people in the UK are making an adjustment to save money on food as a result of the cost-of-living crisis<sup>xv</sup>. Currently, the priority is to ensure there is food on the table and this is inhibiting communities' choices to buy more sustainable food. However, across the UK there has been a rise in allotments and community growth which spans issues of sustainability, food justice, food sovereignty and ecology<sup>xvi</sup>.

## Greener travel options

**Only three in 10 (31%) in the UK believe that they have access to affordable and sustainable greener travel options, rising to four in 10 (44%) in London.**

In February 2022, Michael Gove, Secretary of State for Levelling Up, Housing and Communities, announced the government's Levelling Up White Paper<sup>xvii</sup>, outlining an understanding that transport networks need to be developed outside of London. This awareness was included in the *12 Missions to Level Up the UK*<sup>xviii</sup>, stating by 2030 local public transport connectivity across the country will be significantly closer to the standards of London, with improved services, simpler fares and integrated ticketing<sup>xix</sup>. BITC survey responses in 2021, found that people want businesses to use less energy and resources for products and services. It will be interesting to see how public perception is built into the promises of sustainable travel as well as the larger Levelling Up agenda.

## Conclusion

The climate crisis and cost-of-living crisis offer many similar challenges to communities with prices of energy, food and fuel exponentially increasing. There is ample research, including our own, that states if the transition to renewable energy had started sooner then there would be fairer access to energy and consequently fuel. Following the release of the Net Zero Review<sup>xx</sup> in the middle of January, all responsible businesses should encourage government officials to disclose the strategy to achieve Net Zero 2050, hereby adding weight to Chris Skidmore's, Member of Parliament and former Minister of State jointly at the Department for Education and the Department for Business, Energy and Industrial Strategy, recommendations. Businesses should also understand the weight of influence they have in shifting consumers' purchasing habits and should re-strategise their business models to do so.

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## ENDNOTES

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- <sup>i</sup> [Energy: How fair is it anyway? \(publishing.service.gov.uk\)](#)
- <sup>ii</sup> [Report on the fairness of energy developments: Climate Change Youth Advisory Panel - GOV.UK \(www.gov.uk\)](#)
- <sup>iii</sup> [who-cares-about-climate-change.pdf \(kcl.ac.uk\)](#)
- <sup>iv</sup> [who-cares-about-climate-change.pdf \(kcl.ac.uk\)](#)
- <sup>v</sup> [Net Zero in the North East of England: regional transition impacts - GOV.UK \(www.gov.uk\)](#)
- <sup>vi</sup> [Survey: Trust in British government has dropped to lowest level in decades – POLITICO](#)
- <sup>vii</sup> [The Right Climate For Business: leading a just transition - Business in the Community \(bitc.org.uk\)](#)
- <sup>viii</sup> [Business population estimates for the UK and regions 2021: statistical release \(HTML\) - GOV.UK \(www.gov.uk\)](#)
- <sup>ix</sup> [1 million pensioners to benefit from £140 winter bill discount - GOV.UK \(www.gov.uk\)](#)
- <sup>x</sup> [Find a Warm Welcome Space Today](#)
- <sup>xi</sup> [Almost two dozen 'warm banks' open in Leicester \(msn.com\)](#)
- <sup>xii</sup> [Companies hit back at BEIS Energy Bills Support Scheme voucher redemption criticism | Current News \(current-news.co.uk\)](#)
- <sup>xiii</sup> [Cost-of-Living Crisis: How Employers are Taking Action - Business in the Community \(bitc.org.uk\)](#)
- <sup>xiv</sup> [Affordable Food For All - Sign Which?'s petition for more affordable food for all UK consumers](#)
- <sup>xv</sup> [Affordable Food For All - Sign Which?'s petition for more affordable food for all UK consumers](#)
- <sup>xvi</sup> [The Great Dig: The rise of allotments and community growing across the UK - Miller Research UK \(miller-research.co.uk\)](#)
- <sup>xvii</sup> [Levelling Up the United Kingdom - GOV.UK \(www.gov.uk\)](#)
- <sup>xviii</sup> [Levelling Up the United Kingdom: missions and metrics Technical Annex \(publishing.service.gov.uk\)](#)
- <sup>xix</sup> [Government unveils levelling up plan that will transform UK - GOV.UK \(www.gov.uk\)](#)
- <sup>xx</sup> [Net Zero Review: UK could do more to reap economic benefits of green growth - GOV.UK \(www.gov.uk\)](#)