

Rising energy prices and village halls

September 2022

Summary

Village halls will be facing closure this winter unless support can be found to help them cope with rising energy prices.

This briefing draws on interim data from a survey completed by nearly 700 village halls buildings, along with anecdotal feedback from ACRE Network members to describe how the energy crisis is being felt by these important rural community buildings, and the challenges that will need to be overcome to make sure they continue to provide warm, welcoming spaces for local residents and businesses this winter.

Introduction

There are over 10,000 village halls to be found across rural England. Quite often, they are the only place for people to meet and socialise locally. They also sustain an estimated 50,000 livelihoods connected with use of the venue.

Following the price cap rise due in October, energy prices will have increased by nearly 146% for domestic consumers. However, for non-domestic consumers such as village halls, whose energy bills are not subject to the same regulation, price increases have been even more dramatic. Our corporate partners, Utility Aid [estimate](#) that by the end of August non-domestic electricity prices were up 378% on the previous year, and for gas this was up 421%.

We are concerned these unprecedented price increases will have a profound impact on the viability of village halls to stay open this winter, in turn negating their ability to provide welcome refuges for people unable to heat their own homes.

What we know

ACRE Network members are telling us they are being increasingly approached by village halls concerned about paying their energy bills this winter, some of whom are saying they may have to close. Examples flagged to ACRE include:

- A village hall in East Sussex reporting a 400% increase in their energy bill resulting in an expected annual bill of £35,000, for which hire fees will need to increase by 65% to avoid going into their reserves or closing this winter
- A village hall in Wiltshire claiming they are already spending 60% of their income on energy bills

Whilst feedback from our members is anecdotal, we have also been [surveying](#) village halls about their energy needs since July. At the time of writing we have 694 elective responses, which provides us with good insight into the overall population of village halls to a margin of error of +/- 4%, based on a 95% confidence level.

57% say rising energy prices are causing financial difficulties for their hall

The survey will remain open for completion until the end of September, however headline findings to date are that:

- Many village halls date back to the early 20th century and are difficult to heat. Only 16% respondents agreed their hall is currently energy efficient
- On average halls spent 27% of their annual unrestricted income on energy in the past year. However there is significant variance in the responses received; for example 1 in 10 village halls said they already spend over half their income on energy bills
- 57% say rising energy prices are causing financial difficulties for their hall. Given many responses were submitted in July and August before the latest price increases were known, this is probably an under representation of the challenge
- Only 15% believe there is adequate financial support to help their hall manage its energy costs
- The biggest barriers to improving the energy efficiency of village halls, when ranked by importance were considered to be rising energy prices, followed by the age and fabric of their building and lack of funds to make improvements

Given the scale of the energy crisis unfolding and the fact that many halls will not yet have started to see their energy usage increase, the extent of the challenge facing village halls should not be underestimated. It is highly likely that many will face closure this winter unless support can be found to help them cope with rising energy prices.

Closure of village halls this winter will adversely impact both local residents and the small businesses that depend on these spaces. As a result, many people will find themselves alone this winter in freezing cold homes and this will have knock on effects for health and social care services.

The change we want to see

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 are able to stay open this winter, they will also be well placed to serve as refuges for people wanting to shelter from the cold.

Specifically, we 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. The regulatory situation is currently complex with some halls paying VAT at 5% in line with domestic tariffs/de minimis usage and some paying the full 20% VAT plus the Climate Change Levy in line with commercial tariffs

3. Dedicated grant funding for making energy improvements to community buildings. The fund should be flexible to allow a range of different solutions to be deployed in village halls as appropriate to the age and fabric of the building
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

About ACRE

ACRE (Action with Communities in Rural England) is a national charity speaking up for and supporting rural communities.

We are the national body of the [ACRE Network](#), England's largest rural grouping of community support charities which together reach over 35,000 community groups annually, and lever in over £34 million each year in support of initiatives that equip people with the knowledge, skills, and connections needed to improve their local community.

Contact

Phillip Vincent, Public Affairs & Communications Manager

p.vincent@acre.org.uk

01285 425645