

Rising energy prices and village halls

September 2022 (revised 20 October to reflect new data)

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 data from a survey completed by nearly 900 village halls, 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 residents and businesses this winter.

Introduction

There are over 10,000 village halls to be found across rural England. More often than not, 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.

Over the past year fuel prices have dramatically increased owing to a variety of factors including a surge in demand for fuel following Covid lockdowns, the war in Ukraine and reduction in supply of imported gas from Russia, as well as environmental factors such as the unprecedented heat waves over the summer months which further disrupted the production and distribution of energy across Europe.

Village halls are classed as non-domestic consumers of energy. According to the last government [statistical release](#) published in September, non-domestic electricity prices increased by 45% whilst domestic gas prices doubled in the second quarter (April to June) of 2022 compared with the same quarter in 2021. It was widely reported that energy prices continued to rise over the summer months prompting the government to introduce an Energy Bill Relief Scheme offering a discount on non-domestic gas and electricity unit prices between 1 October 2022 and 31 March 2023.

We are concerned that even with the latest discount on offer from government that the general upward trend in energy prices is having a profound impact on the financial viability of village halls and may result in closures unless longer term solutions are found.

What we know

ACRE Network members have [told us](#) they are being increasingly approached by village halls concerned about paying their energy bills over the winter months, some of whom are claiming 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 also [surveyed](#) village halls about their energy needs between July and September. 873 elective responses were received, which provides us with good insight into the overall population of village halls to a margin of error of +/- 3%, based on a 95% confidence level.

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

The survey found that:

- Many village halls date back to the early 20th century and are difficult to heat. Only 17% 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 spent over half their income on energy bills. Those relying on electricity to heat their building were also more likely to report more expensive bills, averaging 30% of their annual income.
- 57% said rising energy prices were causing financial difficulties for their hall. Given many responses were submitted in July and August before price increases became an increasing concern, this is probably an under representation of the challenge. Those off the gas grid and relying on electricity to heat their building were most likely to report financial difficulties (62%)
- Only 15% believed 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 rising energy prices, followed by the age and fabric of their building and lack of funds to make improvements

Approximately 1 in 10 village halls could be facing closure – if not this winter – then after the current government support package ends in 6 months' time

The extent of the challenge facing village halls should not be underestimated. 88 respondents out of 873 claimed they are spending over a third of their income on energy and 'strongly agree' that rising energy prices are causing financial difficulties for their hall. This suggests that approximately 1 in 10 halls could be facing closure - if not this winter – then after the current government support package ends in 6 months' time.

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. A continuation of immediate financial discounts beyond March 2023, to last for as long as energy prices continue to show volatility in the market.
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.

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