British Gas Net Zero Homes Index

British Gas

The British Gas Net Zero Homes Index

The British Gas Net Zero Homes Index examines how Britain's families are feeling about the journey to Net Zero, their role in it, and their readiness to make changes to their home, habits and lifestyle.

This second publication of the Index gives an indication of how public attitudes to these issues have changed over the past year. We intend to keep updating the results on a yearly basis.

In this report, we use a large sample poll to look again at the most pressing issues for the British public – how they feel about climate change and how they think governments and businesses should respond. We re-examine the extent to which people are willing to make changes to their homes and routines, including through energy efficiency, heating, and low-carbon technologies. The last year has been characterised by record high energy bills and this year's Index asks new questions testing people's familiarity with novel ways to reduce electricity usage and energy saving technologies. For the first time the Index also asks specific questions to those with children and tests how people feel about the media's reporting of climate change.

Lastly, we look again at the sources of advice that people turn to when faced with making low carbon choices and who they trust to deliver the Net Zero goal.

Contents

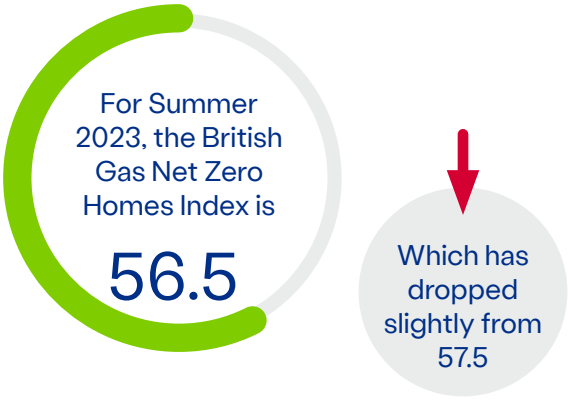
Executive Summary

This is the second publication of the British Gas Net Zero Home Index. It tells us how the views of Britain's families have changed regarding the journey to Net Zero over the past year.

Specifically, the Index digs into households' thoughts about the UK's 2050 Net Zero target and how they believe it will affect their homes and their day to day lives. We will keep measuring these attitudes on a yearly basis to determine how they continue to develop as we go further down the path to Net Zero – whether familiarity with low-carbon products and choices drives greater positivity about a Net Zero future, or whether the backdrop of rising prices, leads to pessimism or even scepticism about the benefits of Net Zero.

For Summer 2023 the British Gas Net Zero Homes Index drops slightly from 57.5 to 56.5 on a scale from 0 to 100.

In light of the increasingly severe impacts of climate change, underscored by the recent record-breaking heat waves across Europe and the hottest week on record globally, it is more critical than ever that we gauge the public's readiness towards climate action. This report provides vital insights into the British public's views on Net Zero, low-carbon alternative technologies and the behavioural changes required to reduce emissions, revealing both challenges and opportunities as we move closer to our statutory Net Zero targets.



In this round of research, we find that the views of British public remain largely consistent with last year, with small declines in a variety of areas such as confidence in the economic impacts of Net Zero and willingness to pay for higher cost, low-carbon alternatives. Climate change is now seen as the fifth most important issue facing the country, down from fourth last year, with immigration now being seen as a slightly more important issue facing the country.

Whilst this demonstrates that climate change is still a priority for the British public, it remains secondary to more immediate pressures related to the cost of living, the NHS and the economy more generally. This is perhaps unsurprising, given the past year has been especially difficult for households. At the same time however, the public still want to make positive changes. This year, more people want to decarbonise their homes through installing better insulation, solar panels and heat pumps. To make the most of this positive sentiment, it will be crucial to ensure households can make these changes easily and affordably.

Alongside improving energy efficiency of the UK's housing stock, there is potential for a step-change in the creation of green jobs across the UK. Previously, British Gas – alongside GMB Union – have argued that the UK needs a 10-year skills revolution to make sure it has workers who are properly trained and ready to deliver the Net Zero transition. The Future Energy Skills Programme, published in July, makes clear that the UK needs to match the level of ambition shown recently by the US and EU, who have both pledged to fund the green transition. Central to this, is the development of a workforce that can build and deliver the technologies needed to reach Net Zero. If the UK can build

these skills in the labour market, this will be a key part of bringing the public along with the UK's climate transition.

Ultimately, if the UK is able to make the most its first-mover advantages on the climate, the potential benefits are immense. It is estimated that by 2030, the UK's Net Zero economy could be valued at £1 trillion, and this will mean a huge boost to growth and prosperity all over the country.

On the other hand, if the UK is not proactive enough, there is a growing risk that the public will lose its conviction due to higher costs, slower timeframes, more uncertainty.

Drilling down further into this year's index, we find a widespread awareness but limited understanding of the Net Zero target. When Net Zero was explained, 71% of the public agreed that it was the right thing to do. On a positive note, the public have the same degree of support for positive actions across the economy to tackle climate change. 88% of the public support building more solar power, 83% support more offshore wind and 79% support building more onshore wind. New nuclear is still the most controversial option, with the same level of support as last year at 48%.

This year sees a small decline in the British public's confidence in the economic impacts of Net Zero. Slightly fewer people have confidence that action on climate will strengthen the British economy, down from 46% to 44% this year, with one in five thinking action will have negative economic consequences, up from one in six last year.

The 2023 Index tests public awareness of heat pump technology for the first time. Our results show that just under half (48%) of the British public know what heat pumps are, compared to 89% for solar panels and 25% for hydrogen boilers. More so than in our first Index, when it comes to electric vehicles, cost is seen as a barrier to uptake. In 2022, 12% said they were willing to pay an extra £5000 for an EV compared to a petrol or diesel equivalent. This year, the number of those willing to pay this premium is down by a third, to 8%, with poorer households being more likely to say they would only buy one if it was cheaper or the same price as a fuel alternative.

Our Index finds that higher bills have pushed families to change their behavioural patterns in the last 12 months. Over two thirds of the public have worn extra jumpers or layers to avoid turning the heating up, with the same proportion saying they have turned off appliances they would normally keep on.

But we found that energy price pressures are still driving popular support for policies to build more low-carbon energy sources and better insulate people's homes. Just under half of respondents say higher energy prices made them more likely to look at "installing energy efficiency products" in the next 12 months (down from 51% last year), but this is in addition to 18% of respondents who say they ended up installing some insulation products over the last twelve months, and a further 16% saying they sought some but did not end up installing any.

For the first time, the Index also asks specific questions of parents to understand how they feel about their children's understanding of the issues. 62% of parents (with children aged 5+) say their child knows "a lot" or "quite a lot" about climate change. 30% of parents reported that their child knows more than they do about climate change, whereas just over a quarter (26%) say their child knows less. Almost two fifths (38%) say their child has the same level knowledge as they do.

British Gas is still playing its part by helping customers to make low carbon choices and guide families through the Net Zero transition. It has 200 years' experience delivering for Britain's homes. British Gas has the largest heating engineering workforce in the country – 6,500 engineers who are highly trusted by customers. These are the engineers who will install and maintain the electric vehicle charge points, hydrogen boilers, heat pumps and more that will be needed to deliver Net Zero in the UK.

In a year when trust in energy suppliers has been affected by the rise in energy bills, we also find in the Index that British Gas retains its positive trust score when it comes to delivering on the Net Zero target, and that the workforce of skilled British Gas engineers still have even higher trust scores from the public in providing them advice on how to reduce the emissions from their own homes.

The British Gas Net Zero Homes Index

The British Gas Net Zero Homes Index is intended to give a headline picture of the readiness of UK households for Net Zero and how they are feeling about the changes required.

We conducted a nationally representative poll of 4,007 adults and asked detailed questions to dig deep into public attitudes to understand how families are feeling about the choices ahead in these difficult economic times. The Index itself is calculated from a subset of these questions and presents a view of how positive people are feeling about the path to Net Zero on a scale of 0 to 100.

This year, the Index drops by one point, reflecting the fact that the cost of living crisis has dampened optimism, and partially reduced individuals' willingness to pay for low carbon alternatives. The general increase in pessimism over the government's ability to deliver on its targets is also a driver behind the decline.

However, looking ahead, there is momentum in the public's continued belief in the importance of energy efficient measures such as home insulation. Together with signs that important behavioural changes are becoming more commonplace and accepted, there is potential for the Index to show positive improvements over the next few years.

Explanation of Index Components

The index is an arithmetic average of the following four figures from the poll:

- Percentage of respondents who say they support the Net Zero target.
- Percentage of respondents who say they are confident the UK will hit the Net Zero target by 2050.
- Percentage of respondents who say they are willing to make changes to their home in order to tackle climate change.
- Percentage of respondents who say they would be willing to pay more for a heat pump than a gas or oil fuelled boiler if they were replacing their boiler.

We intend to update the Index once a year to give a simple way of tracking changing attitudes over time.

In line with the overall Index score, the groups within our poll all score slightly lower compared to last year, though the variation between age groups remains the same. Those ages 18 to 24 year olds (67) have a higher index score than those over 65 (50.5), reflecting that across the board they are more concerned about climate, more willing to act and more willing to pay for measures that cut household emissions. This year, the West Midlands has overtaken London (62) as the area with the highest index (62.5). The two areas with the lowest index are Northern Ireland (51) and East Midlands (52.5) overtaking Yorkshire and the Humber (53 from last year). From the 2016 referendum, Remain voters still show a similar proportion of index score (62) to Leave voters (50). And looking at voting intention for the next general election, those intending to vote Conservative have a lower index score (57.5) than those planning to vote Labour (63) or Liberal Democrat (62.5). Liberal Democrat voters are the only notable variation dropping 4.5 points on last year.

Figure 1: For Summer 2023 the British Gas Net Zero Homes stands at 56.5

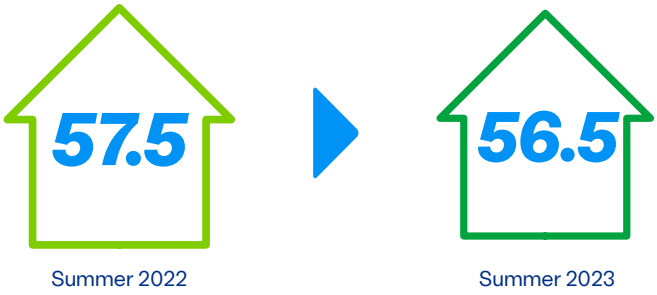
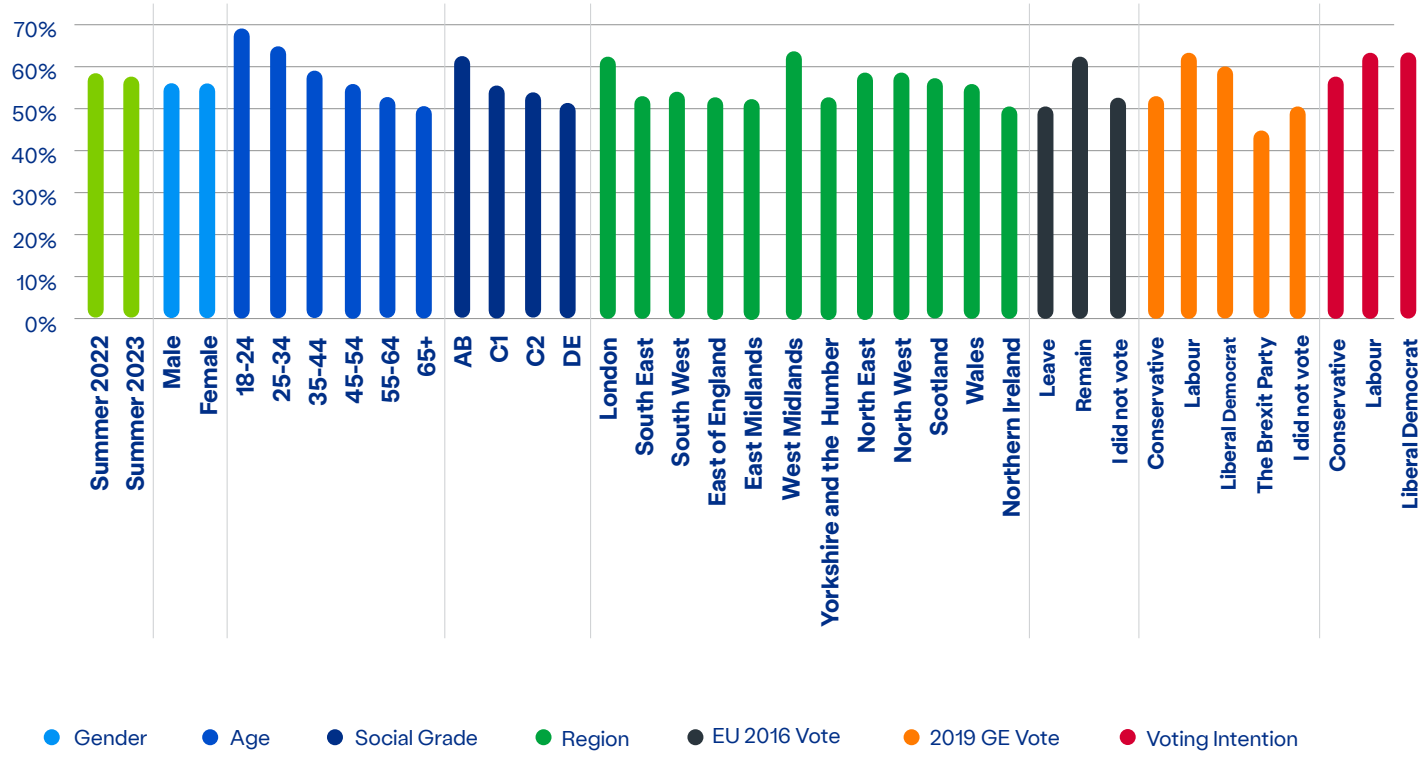


Figure 2: Net Zero Homes Index breakdowns



Climate Change

The Second British Gas Net Zero Homes Index finds similar levels of broad concern about climate change and strong support for measures to tackle it.

Climate change slips by one place and now ranks as the fifth most important issue facing the country. It still places above taxation, housing or Brexit in public concerns, but this year it has fallen below immigration. One in five people (20%) choose it as one of the most important issues the country faces and, contrary to popular perception, older people rank climate change as high a concern as younger groups.

Like last year, 92% believe climate change is real and 73% believe that it is primarily caused by human actions, such as pollution. Of those believing climate change to be real, nearly all (97%) of respondents said they were concerned about it, up from 88% in 2022.

57% of people say that climate change is one of the most pressing issues of our time, a small decline on last year (59%). This figure varies around the country, with 63%

Figure 3: Concern about climate change by region (percentage of those who consider climate change to be one of the most pressing issues)

in London saying it is one of the most pressing issues, but only 52% in the North East, both down by three percentage points on 2022.

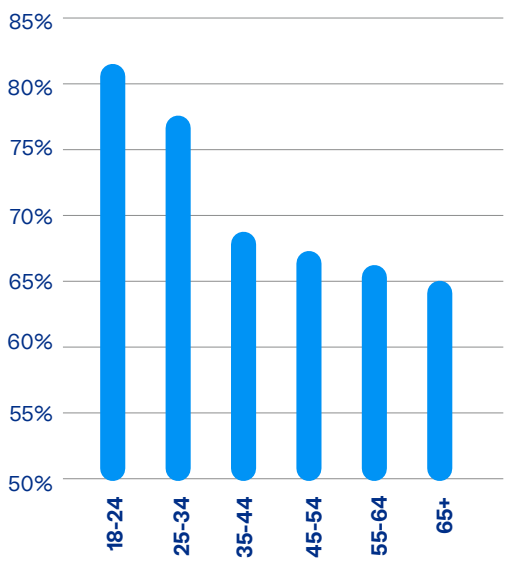
When people think about their own local area, only 22% think it has been made worse as a result of climate change. But among younger people (aged 18 to 24) 35% think climate change has already made their town worse. And just over a third of Londoners (34%) think the capital has already been damaged by climate change, a modest improvement on last year, when 40% said that London had been damaged.

While the public are themselves concerned, they worry that other people are not taking sufficient care of the environment. 54% of the public believed that "Most people in the UK do not care about the damage they do to the environment", with just under two-thirds of young people (64%) believing this.

Targeting Net Zero

In 2019, the Government passed legislation to commit the UK to achieving Net Zero emissions of greenhouse gases by 2050. In our poll, 87% of the public said they had heard of this target, but only 47% said they knew what the target meant, percentage increases of 2% on last year. Older people were still more likely to say they have heard of Net Zero than younger people.

Figure 4: Support for the Net Zero target



But when Net Zero was explained, support for it was strong. Overall, 70% said they supported the Net Zero target, with only 8% saying they were opposed. Younger people were more likely to be supportive than older groups. 64% of those who had voted Conservative in 2019 said they supported the Net Zero target, with only 14% of these voters saying they were opposed.

The UK's official climate watchdog, the Climate Change Committee, published a strongly-worded report in March 2023, warning that the preparedness of various sectors across the UK is "lacking across the board" when considering the adaptation necessary to meet our Net Zero targets, and that there has been a lost decade when it comes to the UK's climate policy.

Public opinion more closely reflects this expert view this year, with 61% saying they were not confident of government cutting emissions sufficiently by 2050, a modest increase from 54% in the first Index. 22% of respondents were so pessimistic that they thought the UK would never achieve Net Zero. Interestingly, younger people are more confident about achieving Net Zero than older groups, with 41% of 25 to 34 year olds confident of meeting the target compared to only 22% of those aged 65 and over.

Actions to tackle climate change

The public's concern about climate change remains consistent with last year, and is still matched by an appreciation that significant changes will be needed to tackle it. 72% of people believe that tackling climate change will require us "to radically change the way we live our lives". This still holds true across all age groups (69% of 18 to 24 year olds agreed compared to 74% of those aged 65 and older). On a positive note, still only one in five (20%) members of the public believe there is nothing the UK can do to stop climate change.

The UK has made good progress in recent years in reducing emissions. This has been driven by changes in the way electricity is produced, as coal fired power stations have been replaced with renewables such as solar power and offshore wind. In the wake of the

highest energy bills in a generation, the British public are still just as strongly supportive of continuing this transition as in 2022. 88% of the public said they supported building more solar power, with just 2% opposed. For offshore wind, 83% supported building more with just 3% opposed.

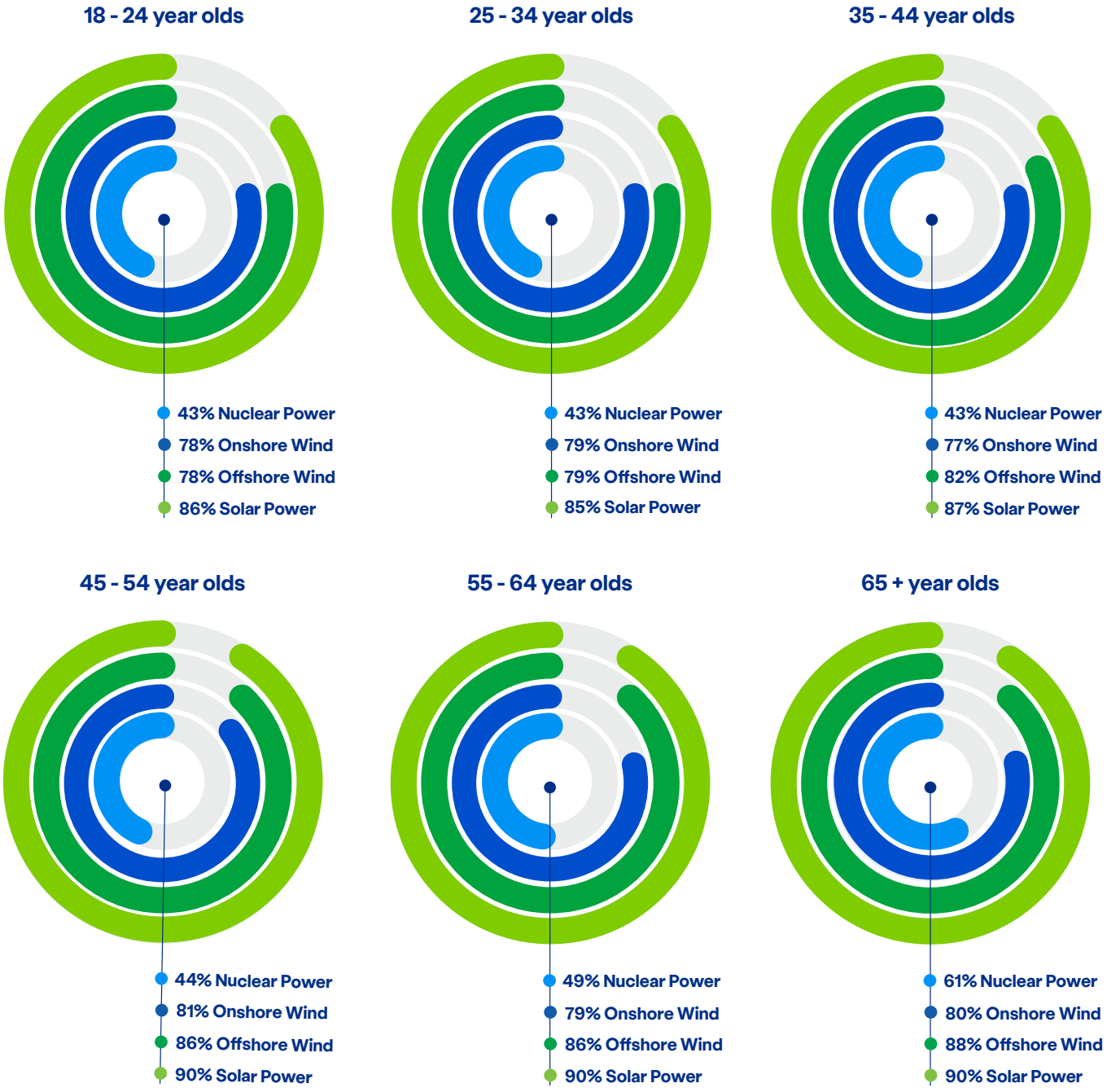
The development of onshore wind has previously faced local opposition and some politicians believe it is unpopular with the public. In line with last year's results, we found that 79% supported building more onshore wind, with just 7% saying they were opposed. Support for onshore wind does not seem to vary with age, with all age groups showing between 78% and 81% support. But there is an age dimension to opposing onshore wind – only 4% of those under 55 opposed building more onshore wind, but this opposition is 10% among those aged 65 and over, both unchanged on 2022. Among the low carbon sources of power that we tested, nuclear power was the most controversial. 48% of the public still support the development of more nuclear power stations, but 24% oppose development. This was strongly driven by age – amongst our youngest age group (18-24) 43% supported and 31% opposed building more nuclear power. Among our oldest age group (65+) 61% supported and 16% opposed new nuclear development.

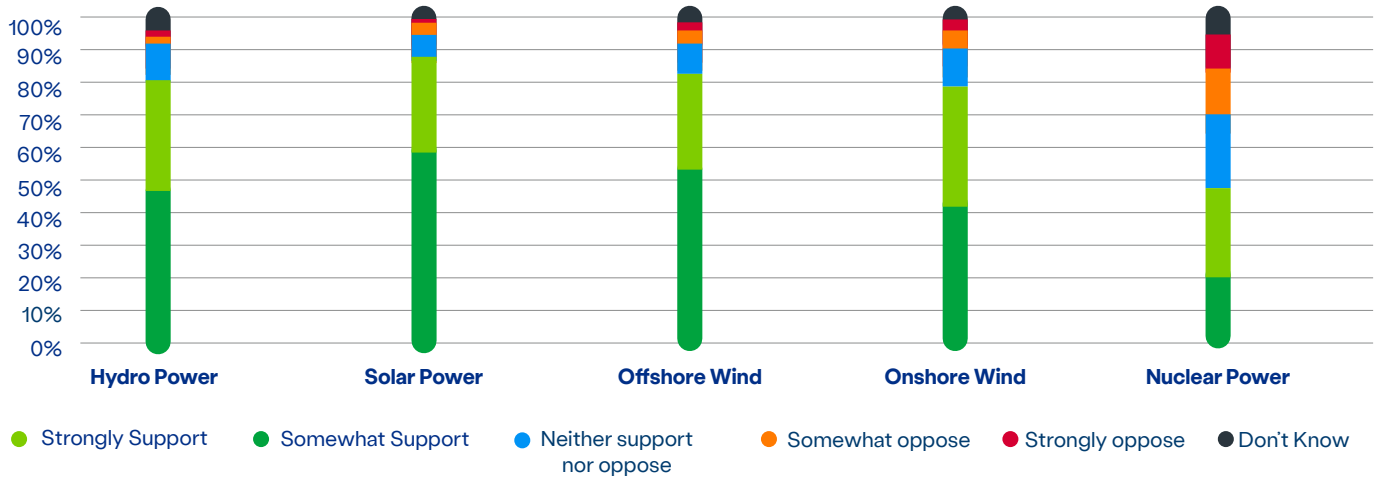
We asked the public whether we should be more worried about plastic waste or polluting gases – the majority (78%) said we should be equally concerned about these two. But where people chose one, there was no substantive difference between plastic waste than polluting gases, unlike 2022 where more were concerned about plastic waste. This held true across age groups, regions and demographics.

Tackling climate change will require significant investment in low emission alternatives to high carbon products and process. These could manifest on a large scale, such as in the creation of offshore wind energy facilities, or on a smaller scale, with households opting for electric vehicles or more insulation. In recent years alone, the public narrative has undergone a huge transformation - rather than questioning if these commitments are economically viable, the dialogue has increasingly turned towards an exploration of the possible economic boost these investments could bring about. As was the case last year, public attitudes reflect this trend. 44% of the public think action on climate will strengthen the British economy, with only one in five thinking this will be an economic negative. This positivity is shared across all regions of the country although, whilst it was evenly split last year, those intending to vote Labour (50%) are slightly more positive than those intending to vote Conservative (42%) this year.

The public also recognise the co-benefits of action on climate change. With 60% of the public believing that taking action to tackle climate change would be positive for their own quality of life, and 68% for people's health more generally.

Figure 5: Support for electricity generation types





Responsibility for tackling climate change

The truth is that tackling climate change will require all of us to take action – governments will need to set policies and fund low carbon options, businesses will need to invest in reducing their emissions and in innovative technologies, and households will need to adopt low carbon choices in their day to day lives from replacing their car with an electric vehicle to changing their diet.

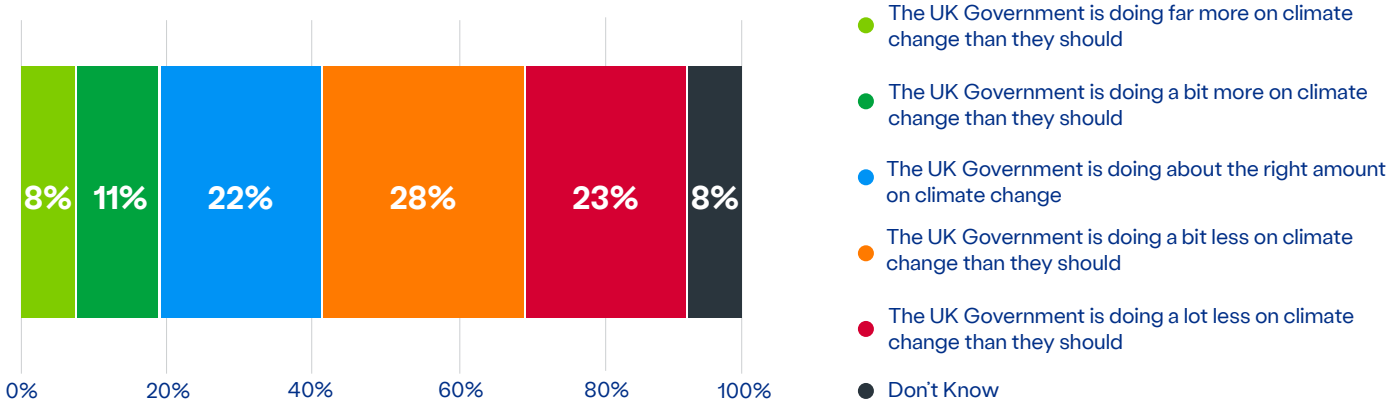
The public ranked those most responsible for tackling climate change in the same order as last year. They chose national government first, followed by international bodies like the UN. Large businesses came next on their list. Household actions ranked in the middle. With the media, academics and charities seen as having least responsibility to act.

Overall, the public believe that the UK government should be doing more to tackle climate change. 22% thought that the government was doing the right amount on climate change, 19% thought too much, 51% thought too little. The answers to this question varied significantly by age. For our youngest age group, aged 18 to 24, 61% thought the government was doing too little. For our oldest age group, aged 65 and over, only 45% thought government was doing too little.

Businesses are also seen to not be pulling their weight in tackling climate change. 61% of the public thought businesses were doing too little compared with 23% who thought they were doing the right amount and just 13% who thought businesses were doing too much.

Broadly speaking, the results in this chapter reflect that the public's perception of climate change, the steps needed to mitigate carbon emissions, and the transition to Net Zero are consistent with 2022's Index. This demonstrates that, when thinking about the long-term implications of climate change, the public have not been significantly moved by shorter term increases in bills or the very real and significant cost of living pressures that the last twelve months have resulted in.

Figure 6: The government should be doing more on climate change



Britain's Homes

As we get closer to our statutory Net Zero targets, the British public will need to play a progressively bigger role in the reduction of our territorial carbon emissions by altering their lifestyle habits in ways that might be unfamiliar at present.

Part of this will involve renovating existing homes to enhance their energy efficiency, adopting new transportation options like electric vehicles or increasing use of public or active transport, implementing low carbon heating alternatives like heat pumps, and modifying dietary habits to diminish meat intake.

Given this need to change, it is positive that we found 78% of the public saying that they are willing to make changes in their own homes to tackle climate change, exactly in line with last year's Index. This is still especially true of younger segments – with 84% of those aged under 45 being willing to make changes at home. But even in the older groups willingness remains strong, with 74% of those aged 65 and over willing.

Energy Efficiency

The last year's energy crisis has driven home the fact that the UK's housing stock will need better insulation moving forward. The UK has the oldest and among the most draughty housing in Europe.[1] We asked homeowners how important they felt it was to install improved insulation on a scale from 1 - not at all important to 5 – essential. 25% thought that improved insulation was essential (down slightly from 27% last year) and 51% ranked this either a 4 or a 5. A further 26% believed that they had already improved their energy efficiency.

Among homeowners, 47% said they were willing to install improved insulation in the next two years, with only 9% saying they were unwilling over that time frame. Like last year, the willingness varied with age, with 57% of those under 45 willing to improve their energy efficiency in the next two years, compared to only 36% of those aged 65 and over. We might expect this to vary significantly with household income, but the actual effect is limited. For those with incomes of below £45,000 per year, we found 43% willing to install improved insulation in the next two years – among those on incomes of over £45,000, the figure was higher, at 54%, though not dramatically higher.

Figure 7: Willingness to install improved insulation in the next two years by age group

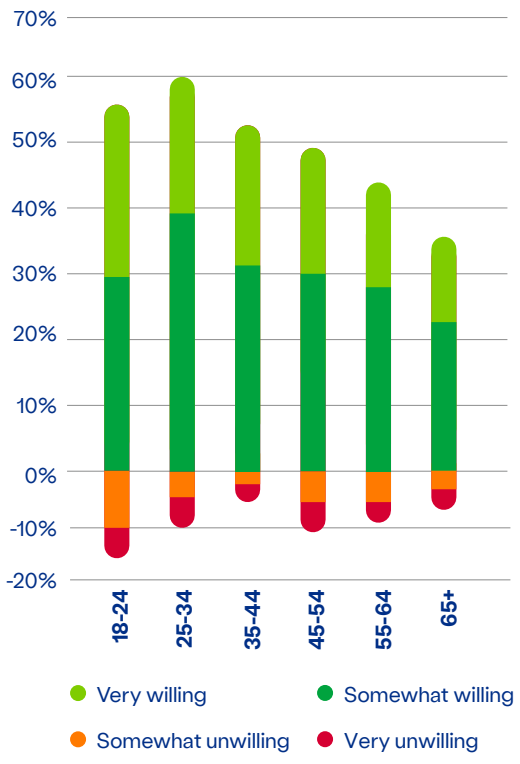


Figure 8: Willingness to install solar panels in the next two years by age group

Solar Panels

Households are playing an ever larger role in reducing the emissions of our energy system. Over a million homes across Britain now have solar panels on their roofs.[2] And increasingly consumers are able not only to generate electricity for their own use in this way, but also to store it in batteries, and even sell back to the grid at a profit at times of higher demand.

In our research we found that 17% of homeowners felt that installing solar panels on their roof was essential to tackling climate change and a further 26% thought it important (scoring it a respective 5 or 4 on a scale from 1 – not at all important to 5 – essential). Whilst these headline figures were largely the same as last year, installing roof-top solar is seen as essential by 5% fewer of those aged 18 to 24 than last year (29%). A far smaller proportion of one in ten people aged 65 and over continue to see it as essential.

[1] Building Research Establishment, The cost of poor housing in the European Union, 2017

[2] Microgeneration Certification Scheme website

The public's views have not changed when thinking about the next two years, 41% of homeowners say they would be willing to install solar panels, with the same level of 25% unwilling and a further 11% saying that these solar panels are not a viable option for their house. Again willingness varies substantially by age, as can be seen in figure 8, 60% of those aged 18-24 are willing to install solar panels in the next two years, falling to just 23% of those aged 65 and over.

Heat Pumps

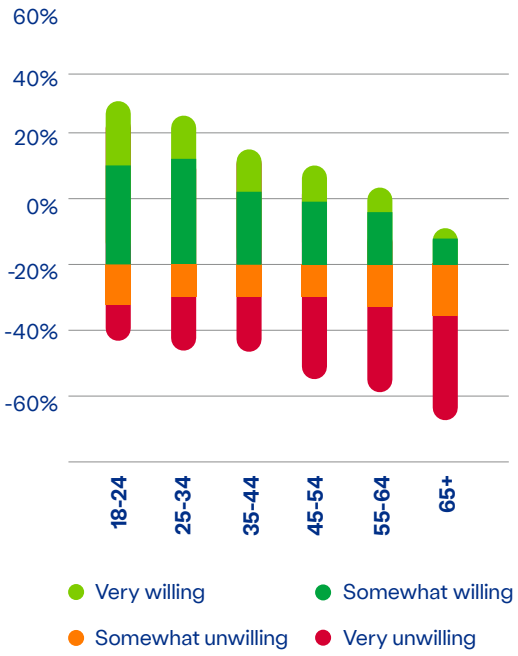
The main source of emissions from Britain's homes is the use of natural gas for heating and cooking. Around 82% of our homes are today connected up to the gas grid and use a gas boiler as their main source of heating.[3] This is much higher than in many other countries – it's 35% in Germany, 34% in France and 50% in the USA. This has largely been a positive for the UK over the decades since North Sea gas came on stream as mains gas heating has been cheaper than alternatives such as oil or electric resistive heating. But this high penetration of mains gas boilers will now need to be replaced in order to combat climate change.

Heat pumps are expected under most Net Zero scenarios to replace many of these gas boilers. Heat pumps are (generally) an electrically driven device that extracts heat from the air, ground or water in a highly efficient way. Heat pumps are a proven technology, but are currently used by fewer than 1% of homes in England.[4] The UK Government has set an ambition to grow the electric heat pumps market from 30,000 installed per year to 600,000 per year by 2028.[5] British Gas is already installing them in customers' homes across Cornwall, Devon, Somerset, Dorset, Hampshire, the Isle of Wight and Gloucestershire – with installations in more areas of the UK coming soon.

In our research we found small declines in the public's view of the importance of heat pumps. 12% of homeowners felt that replacing their gas boiler with a heat pump was essential to tackling climate change (down from 15% last year) and a further 21% believed it was important (scoring it a respective 5 or 4 on a scale from 1 – not at all important to 5 – essential). Replacing a gas boiler with a heat pump was seen as essential by a fifth of those aged 18 to 24, but only by 7% of those aged 65 and over.

Thinking about the next two years, 28% of homeowners said they would be willing to install a heat pump in that time. As figure 9 below shows, attitudes to heat pumps varied substantially by age, 48% of those aged 18-24 were willing to install a heat pump in the next two years, compared to just 15% of those aged 65 and over.

Figure 9: Willingness to install heat pumps in the next two years by age group



One challenge for heat pumps, and for the decarbonisation of heating more generally, is a lack of familiarity with the alternatives to traditional boilers. We would expect this issue to diminish as low carbon heating appliances are rolled out more widely and families come to know a friend or family member who has one. But today the public are unsure about their choices, and their preferences have not changed in the last twelve months. We asked homeowners who currently have a gas or oil boiler what they thought they would replace it with when it came to the end of its life. 34% say they would go for a similar gas or oil-fired boiler. 13% say they would choose a heat pump. 7% anticipate choosing a boiler that runs on hydrogen. But the single biggest

[3] Building Research Establishment, The cost of poor housing in the European Union, 2017
[4] BEIS, Energy White Paper, December 2020
[5] BEIS, Energy White Paper, December 2020

group, and the only notable change on last year (up from 38%), is the 42% of people who say they don't know what they would choose.

For homeowners currently using a gas or oil boiler, price still narrowly beats environmental impact when thinking about a replacement. 41% said they would install the cheapest option, regardless of any environmental impact, with 35% saying they would install the most environmentally friendly option, regardless of the cost. The environmental choice wins out among respondents below 35 years of age, but among 45s and above price is the clear choice. All of which is consistent with last year's Index.

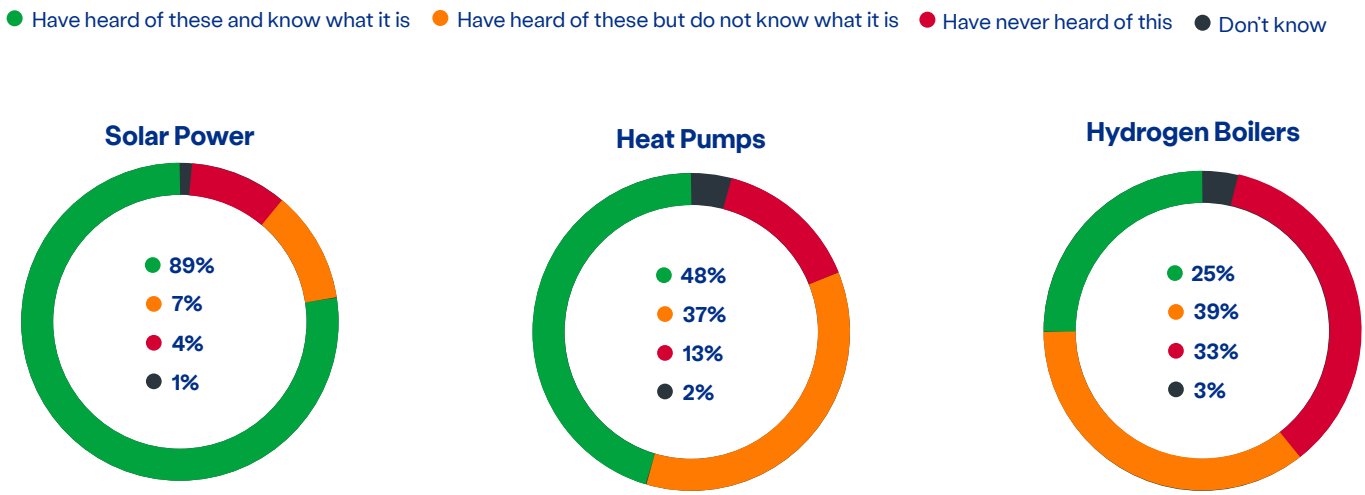
Awareness and understanding of heat pumps rather than just willingness to adopt

This year, for the first time, we also tested the British public's awareness of some of these technologies. Whilst both this year and last year's index asked respondents about their willingness to adopt heat pumps and solar technologies, we asked a new set of questions this year aimed at understanding precisely to what extent the British public have heard of and are aware of these technologies. Of the three technologies we tested (solar panels, heat pumps and hydrogen boilers), heat pumps rank second in terms of awareness (meaning the public have heard of them but do not know what they are) at 37%.

48% of the public reports having heard of heat pumps and knowing what they are, compared to 89% for solar panels, and 25% for hydrogen boilers.

Awareness is generally much stronger among older respondents and somewhat stronger among higher socioeconomic groups and those intending to vote Conservative.

Figure 10: Awareness and understanding of heat pumps, solar and hydrogen

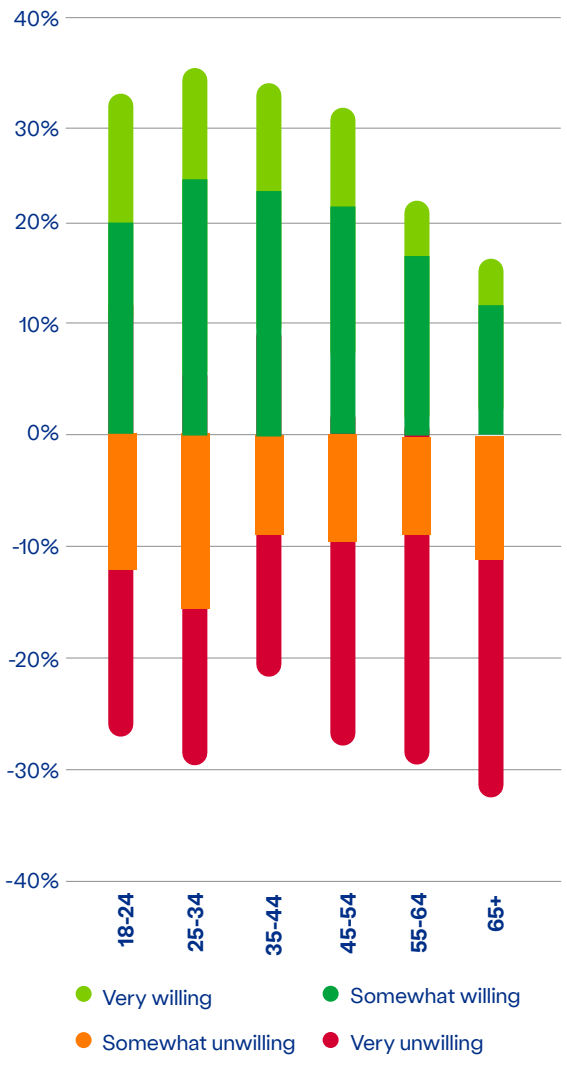


Electric Vehicle Charge Points

Transport is the biggest sectoral source of CO2 emissions in the UK, accounting for around one-third of total emissions. The transport sector will account for around one quarter of the £1.3 trillion of investments that the Committee on Climate Change estimate will be needed between now and 2050.[6]

Investment in decarbonising transport will largely be in the purchase of new electric vehicles (EVs) but will also include around £50bn of new transport infrastructure. These costs, however, will be more than offset by savings made as electric vehicles are much more efficient to run.

Figure 11: Willingness to install an electric vehicle 'fast charge' point in the next two years by age group



Electric vehicles are proving to be increasingly popular with motorists. They accounted for one in seven new cars bought last year, and from 2030, the sale of all new petrol and diesel vehicles will be banned. So far in 2023, sales of all EVs are outstripping traditional petrol and diesel engine car sales.[7]

We found that 12% of homeowners considered that it would be essential for them to install an electric vehicle 'fast charge' point to their home in order to combat climate change, 25% fewer than last year, and a further one in five thought it important (scoring it a respective 5 or 4 on a scale from 1 – not at all important to 5 – essential). In line with last year, the area of the country that was most likely to consider an electric vehicle 'fast charge' point to be essential was London, with parts of the country that are much more dependent on cars for commuting around half as likely as Londoners to say installing an EV charger was essential.

The public's willingness to install an EV 'fast charge' point to their home in the next two years saw a decline this year. Only 28% said they were willing to install an electric vehicle 'fast charge' point to their home in the next two years compared to 35% in 2022, with 29% unwilling this year, down from 35%. The age of the groups surveyed had a strong influence on responses to this question. The cohort most willing to install an EV charger was the 25 to 34 year olds, although this group had the largest decline on last year, from 52% to 39%. The cohort least willing were the 65 years and over where the figure was just 16% down from 21% last year.

[6] CCC, The Sixth Carbon Budget, December 2020 [7] SMMT new vehicle registration statistics

Other Home Interventions

The installation of triple-glazed windows is considered to be essential to tackling climate change by 16% of the public, similar to last year (18%), although there is a notable drop off in the sentiment of those aged between 35 and 44, with only 18% considering them essential, down from 28% last year. A quarter of the public still consider environmentally friendly light bulbs to be essential.

The idea of allowing the times at which energy-intensive appliances are run to be controlled by a family's energy supplier sees a mixed reaction. 11% think this would be essential, but 18% think this is not important at all. 34% of homeowners say they would be willing to give this control to a supplier, with 38% unwilling.

The results from this chapter indicate that the public's willingness to 'spend to save' has unsurprisingly declined slightly in the last twelve months, especially amongst those under the age of 45. Undergoing costly renovations like installing charge points or triple glazing windows may seem less attractive to younger homeowners with less available capital at present. But the public's growing awareness of flexibility and importance of efficiency measures could be a tailwind for the Index in the coming years, especially when considering the growing importance of the role of households in reaching Net Zero.

Costs of Going Green

Looking back on a year of high inflation, energy and food bills, the cost of living is still the dominant priority for the British public, and continues to outstrip the economy or even the NHS.

The public's view has not changed since last year. 76% of the public identify cost of living as one of the most important issues facing the country – with women more concerned (79%) by rising prices than men (73%). Cost of living tops the list of pressing issues for all age groups, all socio-economic groups, and in all regions and nations of the UK.

The state of the economy also remains one of the most important issues, selected by 44%. The quality of the NHS is seen as one of the most important by even more people this year, by 53%, up from 42%. The threat of climate change is ranked fifth in this priority list, being selected by 20% of the public, a small decline on last year's 23% score, and now behind immigration at 22%.

In our research, we find that 24% of the public feel the UK Government was entirely responsible for recent energy price rises, with a further 57% saying the government is at least partially responsible. This is an increase on last year, where just under half of respondents believed the government to be partially responsible. In total, 2022's Index saw three quarters of people holding the government either partially or entirely responsible. In this round of research, the figure stands at 81%. Like last year, though, older respondents were more likely to say the government was not responsible for this.

Going green

Against this backdrop, making homes more energy efficient makes more sense than ever before. We found 48% saying that higher energy prices made them more likely to look at "installing energy efficiency products" in the next twelve months (down from 51% in 2022). Interestingly, when we worded this same question as "installing improved insulation", only 25% said they were more likely to look at this, which was a notable drop from 34% last year. Although, it is important to note that 18% of respondents also said that they had ended up installing some products in the last twelve months, with 16% saying they had sought some but had not ended up installing any. Younger homeowners were still more likely than older to be driven to consider energy efficiency products in the face of higher bills.

The up-front cost of insulation was the most identified reason for people choosing not to improve the energy efficiency of their home (40%), unchanged on last year. The hassle factor – for example the need to empty your loft – was still a barrier for 16% of the public, rising to a surprising 36% of younger people (those aged 18 to 24).

We also tested people's willingness in these tough times to pay extra to make green choices.

For electric cars, we found 8% were willing to pay an extra £5,000 or more for an EV compared to an equivalent petrol or diesel car. This is down from 12% in 2022. There was an income gap, with poorer households being more likely to say they would only buy one if it was cheaper or the same price. Only 15% say they would only choose an EV if the up-front cost was lower than for an equivalent petrol or diesel car, an increase on 12% from last year.

For eco-friendly heating systems, such as heat pumps, we found that only 4% would be willing to spend an additional £5,000 in up-front costs as a fuel alternative. But 31% would be willing to spend at least £1,000 more for a greener alternative to a boiler. Similar to the EV findings above, the decision on low carbon heating did seem to be more determined by income. 46% of those with a household income below £45,000 say they would buy it if it was the same price or cheaper, compared to 35% of those with a household income over £45,000.

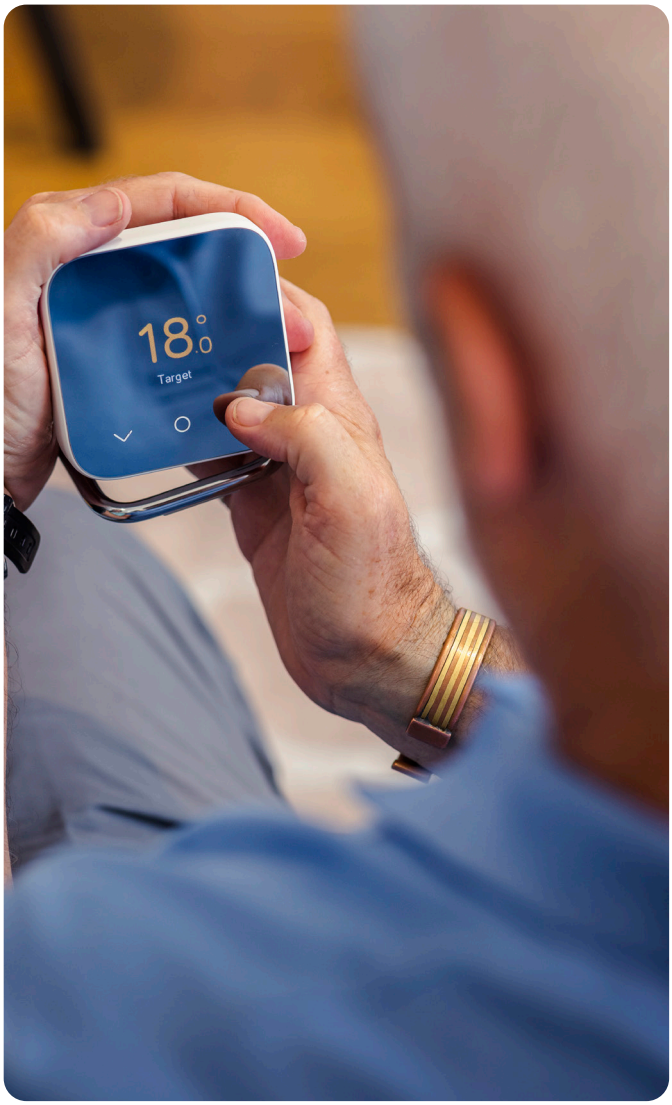
Just over one in four people (27%) said they would only buy a heat pump if it was the same price as a new boiler, and 15% said they would only buy it if it was cheaper.

In line with the previous chapter, increasing pressures on bills over the last twelve months undoubtedly had a small negative impact on public attitudes towards purchasing greener options that may be costly, especially lower down on the income scale.

How people are reducing energy usage

This year, we asked the public new questions about the behavioural changes they were making to reduce their energy usage and bills.

Over two thirds (67%) of the public have worn extra jumpers or layers to avoid turning the heating up, and the same proportion reported turning off appliances which they would normally keep on. A third (34%) said they've washed clothes in cold water, and 10% started using power strips and timers to manage energy use of electronics and appliances. There was a clear age-trend when it came to likelihood to adopt some of these strategies, with older people being more likely to report adopting them across almost every strategy tested. Interestingly, there were no stark social grade or income differences, with the exception of upgrading of appliances, with higher social grades and household incomes being more likely to have done it.



Advice & Trust

British Gas is ideally positioned to provide a leading voice and play a leading role in the Net Zero transition. It has 200 years experience delivering for Britain's homes and has the largest heating engineering workforce in the country.

Consistent with last year's index, 40% of the public say that they trust British Gas to help them reduce emissions from their home, with a net trust score of 17%. Younger respondents have an even more positive view, with 53% of 18 to 24 year olds trusting British Gas to reduce their home emissions, for a net trust score of 38%, up from 33% last year.

The British Gas heating engineer workforce is even more trusted by the public. Half say they would trust a British Gas engineer to help them reduce their home's emissions.

We know that most energy suppliers these days are talking about the way they can help customers on the journey to Net Zero. We found the public still gave positive net trust scores to all the energy supplier brands that we tested for helping to deliver the Net Zero target.

British Gas are trusted by the largest proportion of the British public to help deliver Net Zero compared to all other energy suppliers (36%), with Octopus as the next highest (35%).

Octopus has the highest levels of net trust among energy suppliers to deliver Net Zero among both men and women and across all socio-economic groups. However, British Gas is most trusted among the youngest age group (18-24).

Figure 12: Levels of trust in British Gas and our Engineers to help families to reduce emissions

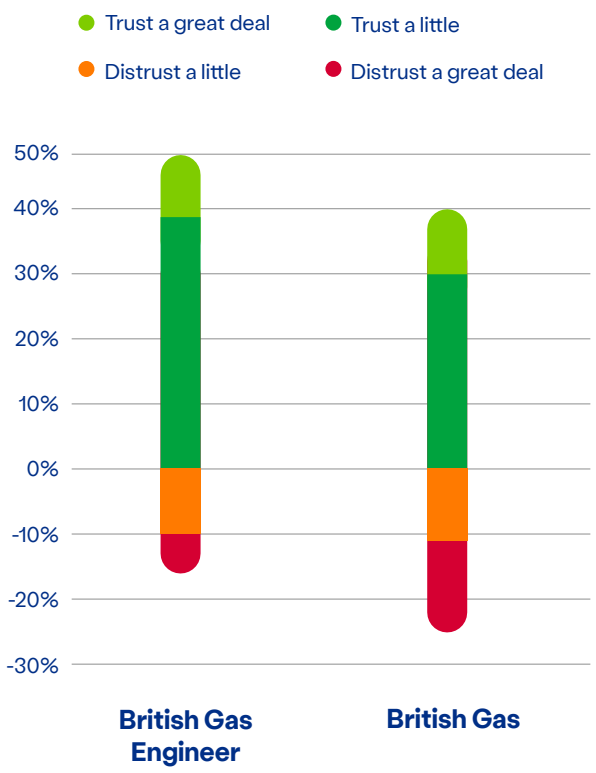
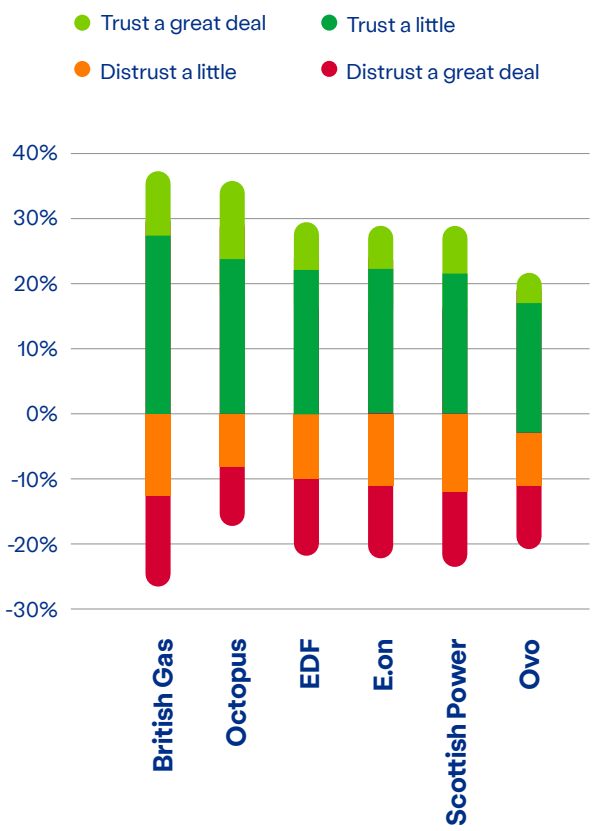


Figure 13: Trust in various energy suppliers to help deliver the Net Zero target by 2050



A Changing Landscape

In this year's round of research, we asked a set of new questions aimed at determining the level of public awareness regarding changes taking place in the energy sector, such as new methods for managing electricity demand in peak times.

We also wanted to understand how parents are speaking to their children about the complexities of climate change when the landscape continues to change so dramatically each year, as well as people's attitudes towards climate reporting.

Awareness, understanding and participation of flexibility trials

In January 2023, the National Grid ESO launched a scheme in response to sharp increases in energy bills. Flexibility trials were designed to reward both domestic and some commercial customers with a smart meter by offering them discounts on their energy bills for using less energy at specific times. The scheme's first national application occurred at 5pm on 23 January 2023, when customers were asked to use less energy for an hour, households were paid around £10 per time for saving electricity. These ran until March 2023.

When asked, about half (51%) of people in the UK report having not heard of flexibility trials for electricity demand. A fifth (21%) have heard of them but are not sure what they are, and 14% both heard and knew what they were. Awareness was higher among higher social grades and those who are financially more comfortable.

When the trials were explained to respondents, 55% indicated that they did not know they had been run in the UK, and 38% said they knew such trials had been run. Just over 1 in 10 people said that they believed their household took part in a flexibility trial (12%). When asked if people would take up the opportunity to take part if they were offered, 34% said they would definitely take part, whilst 40% said they would probably want to take part. Only 15% indicated they would definitely not be interested in taking part.

There was no significant difference in interest across demographics, except for across those with different levels of concern for climate change - over three quarters (77%) of

those who reported being concerned about climate change said they would definitely or probably take part compared to 43% of those who said they are not concerned about climate change.

Understanding of Govt support and specifically price cap

The Energy Price Guarantee has been in place for every household from October 2022. Lasting until 30 June 2023, it brings a typical household energy bill for dual-fuel gas and electricity down to around £2,500 per year in Great Britain and around £2,109 per year in Northern Ireland. The scheme is applied in the same way for households across the whole of the UK. By the end of June 2023, the EPG had saved a typical household in Great Britain around £1,100 since October, when compared to undiscounted energy prices under the price cap.

Around one in six people (17%) reported having not heard of the Government's Energy Price Guarantee. The proportion was much higher among younger respondents, but otherwise there were no significant differences across demographic or income groups. In total, 31% reported having heard of it without knowing what it was, and 52% reported both having heard of it and knowing what it was. Of 18-24 year olds 36% reported not having heard of the scheme, compared to one in four 25-34 year olds. By comparison, only 6% of 65+ year olds reported not having heard of it. This disparity is likely due to the fact that younger people are less likely to pay their energy bills directly due to living with parents or guardians, in university halls or in shared accommodation.

We followed up the question with an explanation of how the EPG works and asked respondents to tell us whether this is what they understood it to be. Only 36% fully understood it, another 36% did not fully understand it, and 17% did not understand it at all. Full knowledge was much higher among older respondents, higher social grade, 2019 Conservative voters and those intending to vote Conservative at the next election.

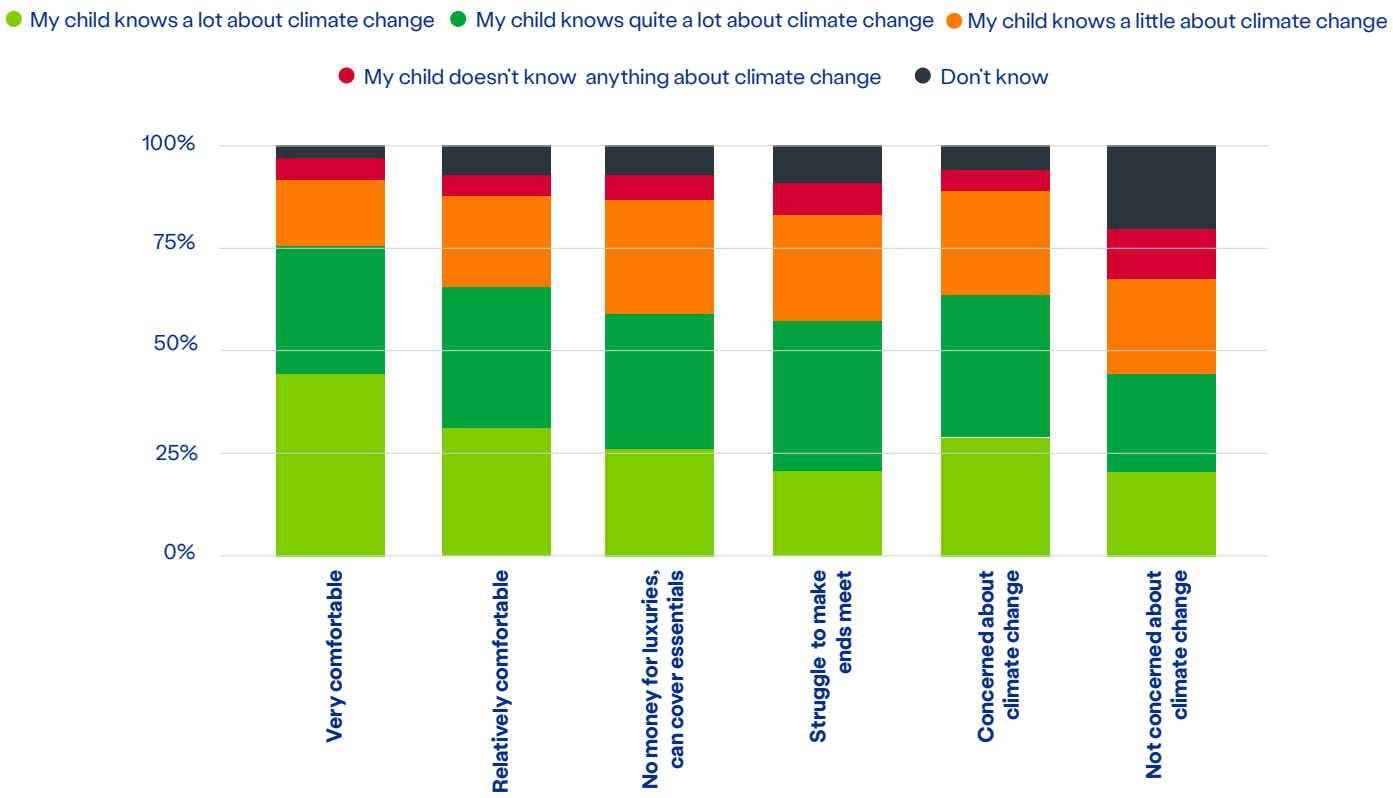
Children's understanding of climate change

As the debate around climate change continues to grow in intensity, evidence suggests an increasing number of children in the UK are suffering from climate anxiety, with 70% worried about the world they will inherit. We wanted to understand how parents were navigating this complex issue in educating their children about the climate and the changing landscape children will inherit.[8]

62% of parents (with children aged 5+) say their child knows "a lot" or "quite a lot" about climate change. There was no strong correlation between a child's reported knowledge of climate change and the parent's social grade, level of education or income. We find a strong correlation with respondents' levels of financial comfort and, unsurprisingly, the relative age of the child. Parents who report being concerned about climate change are also more likely to report that their child knows "a lot" or "quite a lot" about climate change.

[8] Save The Children, Website

Figure 14: Children's knowledge of climate change



We also asked the same parents to rate their child's knowledge of climate change compared to theirs as a way to determine the extent to which their child is learning about climate change outside of the guidance of their own parents. 30% of parents reported that their child knew more than they did about climate change, whereas just over a quarter (26%) said their child knew less. Almost two fifths (38%) said their child knew as much as they did. Interestingly, parents who said they were not concerned about climate change or who opposed Net Zero were as likely to say their children knew more about climate change than they did as parents who are concerned about climate change or support Net Zero.

Lastly, we asked parents how much they speak to their children about climate change. Almost a third (31%) said they talk to their child about climate change "as much as they can", 28% said they try to "limit how much they talk about it", and 31% said they "never talk about it". Parents in the lowest social grades, those who voted Leave in 2016, those intending to vote Conservative, and those with lower levels of education were more likely to report never talking to their child about climate change.

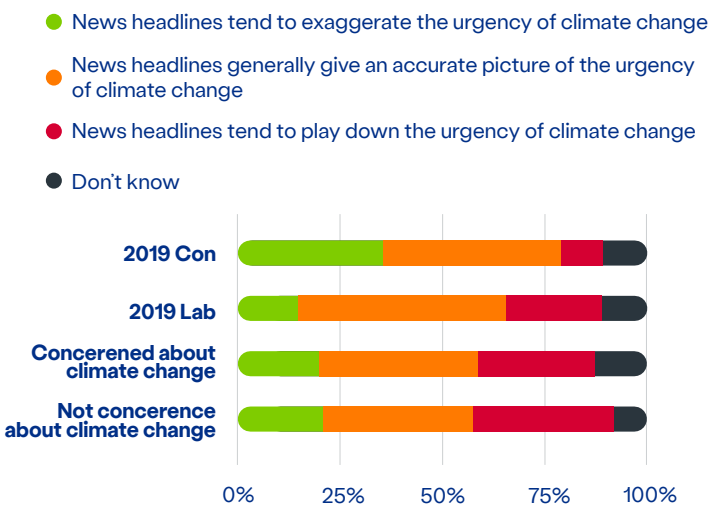
Impact of climate anxiety

Looking beyond young people, evidence suggests that climate anxiety across all age demographics in the UK is prevalent. According to a poll conducted by YouGov in February, almost two-thirds (65%) of people say they are worried about climate change, with 25% very worried.[9] However, not everyone in the UK shares this view. Some feel that the news headlines tend to overstate the realities of climate change. We asked a series of questions of the public to gauge their attitudes on the accuracy of climate reporting in the media.

More than one in four people (27%) think that news headlines tend to exaggerate the urgency of climate change, compared to 38% who think the headlines give an accurate picture. 22% of the public think that the news headlines play down the reality of climate change. Men, older respondents, and those who voted Conservative in 2019 or intend to vote Conservative at the next General Election are far more likely to say that news headlines tend to exaggerate the urgency

[9] YouGov/Woodland Trust Survey, February 2023

Figure 15: Perceptions of media reporting on climate change



of climate change across all demographic groups. Unsurprisingly, those who oppose the Net Zero targets are also more likely to hold the view that the news headlines exaggerate the urgency of climate change.

Digging down into the notion on "climate anxiety", we also asked respondents to indicate which emotions they generally feel when reading about climate change. The top answers indicate concern and a lack of control. The highest three emotions were "worried" (45%), "frustrated" (33%) and "helpless" (26%). Almost a fifth (19%) of people say they feel "sceptical", and this is much more common among men (23%) than women (16%), those over 65 (22%) than 18-24 year olds (17%) and Conservative voters (25%) over Labour in 2019 (16%).

Negative headlines drive much of the anxieties the public feel regarding climate change. We wanted to understand how this impacts people's media consumption habits. Almost two thirds (63%) of the public indicate that they do not actively seek to read news about climate change but would not mind reading about it if they came across it. 16% report avoiding reading about it, and 17% report actively seeking news about it. Those in higher social grades and those who voted Labour in 2019 are more likely to report actively seeking it.

Lastly, we tested two different headlines with regards to the UN report on climate change to see if a see if a change in tone from positive to negative had any influence on the respondent's likelihood to read it as well as their level of trust. We worded the two headlines as follows:

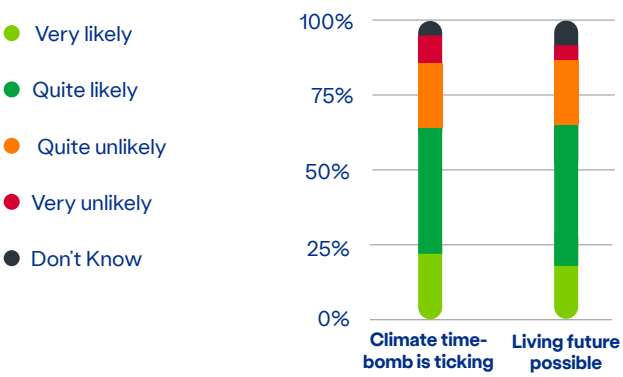
1. "The climate time-bomb is ticking: The world is running out of time to avoid catastrophe, according to new UN report."

2. "A liveable future for all is possible if we take urgent climate action, according to new UN report."

Perhaps surprisingly, we found no statistically significant increase in the likelihood for the positive headline to be read by the public. The only groups that showed a significant increase in their likelihood of reading stories with positively worded headlines was for those with a Master's degree and above. Particularly at PhD level where 85% were "quite" or "very" likely to read it compared to the negative headline were the same applied for only 65% of respondents.

Finally, we wanted to test whether there were differences in the level of the public's trust in the stories being reported with these two headlines. We found that there was no significant difference between the two. Just over half (52%) of the public said they would mostly or fully trust the negative headline, compared to 55% who said the same for the positive headline. We found a similar trend as the likelihood to read the two with regards to the highly educated who showed a slightly lower level of trust for the negative headline compared to the positive one.

Figure 16: Willingness to read climate reports based on headline



Methodology & Sample

Public First surveyed 4,007 adults online in May 2023.

All results are weighted using Iterative Proportional Fitting, or 'Raking'. The results are weighted by interlocking age & gender, region and social grade to Nationally Representative Proportions.


British Gas