

**Lord Callanan**

Minister for Energy Efficiency and Green Finance

**Amanda Solloway MP**

Minister for Energy Consumers and Affordability

**Department for Energy Security and Net Zero**

10th August 2023

## **Energy Bill Support for social housing households on low incomes and heat networks**

Dear Lord Callanan and Amanda Solloway MP,

We are writing to you today as leaders of 34 of the country's leading housing associations to call for more targeted support to protect millions of people expected to struggle with their energy bills this winter.

Collectively we provide homes for more than 1.5m households.

As housing associations, we offer advice and support to our residents during this challenging time for example through the use of hardship funds, our own advisory services or helping them to access assistance from other organisations.

It is in this role which we are asking your department to make three changes to support those most in need this winter:

- 1. Provide more targeted support through the Energy Bills Support Scheme and Energy Bills Discount Scheme for winter 2023-2024 for those on low incomes and the 1.7m households living in fuel poverty and are not registered for benefits.**

We appreciate the support the Government offered to our customers last winter through schemes such as the Energy Bill Relief Scheme (EBRS) and Energy Bill Support Scheme (EBSS).

We further appreciate the Government's increased Cost of Living payments which will help millions of households this year.

However, looking ahead, we are very concerned about [The University of York's analysis](#) for the Child Poverty Action Group that an estimated 1.7m households [are living in fuel poverty and expected to miss out on the support](#) available because they are not registered for benefits.

More than 200,000 of these fuel poor households are estimated to be living in social housing while a further 505,000 households are living in private rented accommodation and more than one million are homeowners.

The reality is that these fuel poor households face another winter of extreme hardship and will be hit the hardest.

Last summer a leading housing association commissioned an independent survey of its customers regarding their experience of the cost-of-living crisis. The survey sampled 3,419 social housing, retirement living and shared ownership customers across England.

The survey found that after food bills (which 67 % of customers struggled to pay), electricity (63 %) and gas/heating (60 %) bills were the most common bill that customers struggled to pay. When customers were asked how they would cope with the rising energy costs, 37 % said they were not going to use their heating at all. And crucially, 31 % of customers said they were relying on the £400 Government support through EBSS to cope with rising energy costs.

Households connected to heat networks will still be disadvantaged this winter due to price volatility in a sector, which is now due to be regulated in two years' time.

Previously, the Energy Bill Relief Scheme set a supported price of £211 per MWh for electricity, and £75 per MWh for gas. However, now the Energy Bill Discount Scheme (EBDS), which is in place from 1 April 2023 to 31 March 2024, has a much higher price threshold of £302 per MWh for electricity and £107 per MWh for gas.

For domestic households with a direct relationship with their energy supplier, energy bills are also set to remain high despite a cut in prices from July, experts have warned.

A typical household will pay £2,074 a year for gas and electricity from July, £426 a year less than currently, after the regulator cut the energy price cap for England, Scotland, and Wales.

However, this is still (170 %) higher than the average energy bill for a British household in 2021 and prices are not expected to fall much further over the rest of the year and could edge up in winter. Experts have said that from the end of this year people would be paying roughly what they did last winter, because while prices are cheaper the £400 EBSS discount from the Government would no longer be available.

Expert analysis shows that while energy bills remain so high 1.7m households in fuel poverty will miss out on the support they need. We believe this needs to be rectified.

## **2. Expand eligibility for the Warm Homes Discount to include households on heat networks and without a direct relationship with an electricity supplier this winter.**

We are delighted to hear the news of the Government's recent announcement that from 2025, Ofgem will be able to step in where homes and businesses have problems with disproportionate pricing, poor customer service and poor reliability from their heat networks.

However, this does nothing to help struggling households this winter or those who failed to claim the support they were entitled to this year.

900,000 households do not have a direct relationship to an electricity supplier are not eligible for the Warm Homes Discount and with a rise in the EBDS price cap for the 500,000 households on heat networks, they face a winter of higher energy bills without the £400 energy bill discount nor the £150 Warm Homes Discount.

The Government portal for the Energy Bill Support Scheme Alternative Funding (EBSS AF) developed a mechanism for the 900,000 households without a direct relationship with an electricity supplier to receive the government support to help with their energy bills. Those households continue to be excluded from the Warm Homes Discount, however with the EBSS AF portal now in place, the Government has an opportunity with the infrastructure already in place to make a huge difference to those who need it the most this winter.

**3. Extend the application deadline for Energy Bill Support Scheme Alternative Funding from 31st May until 31st December 2023.**

The Energy Bill Support Scheme Alternative Funding aimed to reach 900,000 households who may fall through the gaps due to not having a direct relationship with an electricity supplier.

However, analysis by BBC Radio 4 Moneybox shows just 141,000 households in the UK – out of an expected 900,000 households – successfully applied for the scheme before it closed on 31st May 2023, just 16 % of eligible households.

Therefore, we are asking your department to re-open this scheme and extend the deadline beyond 31st May 2023 until 31st December 2023.

We would urge the Department to work with Ofgem and energy suppliers to protect hundreds of thousands of people this winter by extending support to those who need it most.

These three changes would make a huge difference to support those most in need this winter.

We look forward to hearing from you and discussing how the Government can provide more targeted support to protect thousands of people who will struggle with their energy bills this winter.

Yours sincerely,



**Carol Matthews CBE**  
Group Chief Executive  
The Riverside Group



**Ian Wardle**  
Group Chief Executive  
A2Dominion Group



**Noel Sharpe**  
Group Chief Executive  
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**CLARION**  
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**Helen McHale**  
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Stockport Homes Group



**Matt Forrest**  
Chief Executive  
Thirteen Group



**Nick Atkin**  
Chief Executive  
Yorkshire Housing



**Jacque Allen**  
Chief Executive Officer  
Your Housing

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cc **Rt Hon Michael Gove MP**

Secretary of State for Levelling Up, Housing and Communities and Minister for Intergovernmental Relations  
Department for Levelling Up, Housing and Communities