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# What you need to know about the government's energy support schemes

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**The government is providing a range of support to help households with their energy bills from winter 2022 to 2023 onwards. This includes:**

- The Domestic Energy Price Guarantee, which reduces the cost of energy so that a typical household will save around £900 this winter. The cap on energy prices will rise in April 2023, meaning that average annual household bills will increase to £3,000, but a typical household will still save £500 off their annual bill through to April 2024. Bills will be higher for households which use more energy than average. The government will consult on amending the scheme from April 2023 so that households which use very large volumes of energy have their financial support capped, to prevent taxpayers subsidising households with extremely high usage. They will explore the best way to ensure that vulnerable high energy users, such as those with medical requirements, are not put at risk.
- The Energy Bills Support Scheme, which provides a £400 non-repayable discount to all households with a domestic electricity connection to help with their energy bills over winter 2022 to 2023. Households who pay for electricity as part of their rent should receive this discount through their landlord. Residents without a direct relationship with their energy supplier will need to apply to receive this £400 discount. This would include residents on heat networks. Government indicated that the application portal would be made available in January, with the discount then shared by local authorities. However, this has been delayed; the application portal will now not be ready until February, with these households not receiving the funds until the end of March. This £400 discount is a one-off; households will not receive another £400 discount for winter 2023 to 2024.
- Support for non-domestic energy users. Initially this was provided through the [Energy Bill Relief Scheme](#), which provides energy bill relief for non-domestic energy contracts by capping wholesale energy prices. This covers households on heat networks and in park homes. Landlords should also receive a discount through this scheme for energy used in their offices. This will be replaced by the [Energy Bills Discount Scheme](#) which will run from 1 April 2023 to 31 March 2024. Under this scheme, discounts will be applied to gas and electricity unit prices when wholesale prices go over a certain price threshold. There is a maximum discount level, which in effect means there is no cap on energy costs. Where landlords provide gas and electricity to their residents from a non-domestic contract, for example through a heat network, they must pass these savings on to the end users.
- Alternative Fuel Payments, through which UK households not on the mains gas grid and using alternative fuels will receive a one-off payment of £200, doubled from £100 in the autumn statement. Most eligible households will receive this payment automatically from their electricity supplier in February. If they do not have a relationship with an electricity supplier, households will be able to apply through a gov.uk portal.

There are also now details of how the [Energy Bills Support Scheme](#) (£400 discount on energy bills) and the [Energy Bill Relief Scheme](#) will be applied in Northern Ireland, i.e. how support will be provided to households both on domestic and non-domestic energy contracts. Households in Northern Ireland should receive their first discounts through the Energy Price Guarantee from 1 November 2022, backdated to include support to cover October as well. Additionally, all households in Northern Ireland will receive the £200 Alternative Fuel Payment, in recognition of the prevalence of alternative fuel usage there. This £600 total payment will be provided through energy suppliers or as a voucher for customers who do not pay by Direct Debit.

Additional support has been provided for people on certain benefits. Over eight million households on means-tested benefits received £650 in 2022, in two lump sums. In 2023, these households will receive a further £900. People on certain disability benefits received £150 in 2022 and will receive another £150 payment in 2023. Households with someone over the state pension age received an extra £300 on top of their normal winter fuel payment in November or December 2022 and will receive another £300 payment in November or December 2023. With the Energy Price Guarantee increasing in April and the £400 discount through the Energy Bills Support Scheme not being repeated, in effect this will result in a cut to the support available to vulnerable households next winter (2023/24).

In the autumn statement, the Chancellor also announced further commitments on energy efficiency measures. The government will establish an Energy Efficiency Taskforce and has made a long-term commitment to drive improvements in energy efficiency, with an ambition to reduce the UK's final energy

consumption from buildings and industry by 15 per cent by 2030. New government funding for energy efficiency measures worth £6 billion will be available from 2025 to 2028. Additionally, the government will review a new approach to consumer protection from April 2024 onwards, including options such as social tariffs, to deliver a fair deal for customers, improve resilience in the energy market and support an efficient and flexible energy system.

For further detail on the measures introduced in the autumn statement, read our 'what you need to know guide' [here](#).

There are particular concerns about households being forced onto prepayment meters after falling into debt with their energy supplier. This can now be done remotely for households with smart meters. Ofgem rules mean that energy suppliers should not force certain vulnerable groups onto prepayment meters, including people with disabilities and long-term health conditions. However, [research has found](#) that 68 per cent of smart prepayment meter customers are vulnerable, with 58 per cent having health conditions or disabilities. This is concerning as prepayment meters are more expensive than other methods of paying for energy, potentially costing customers [an extra £200](#) over this winter. The government has called on suppliers to voluntarily stop forcibly moving customers onto prepayment meters without first seeking to support customers in difficulty.





# What landlords should be doing

## Help residents to receive the support they are entitled to

The package has been designed so that, as far as possible, energy support will be applied automatically to household bills. For most households, the £400 discount through the Energy Bills Support Scheme should be applied automatically to monthly household electricity bills, applying discounts of £66 in October and November and £67 in December, January, February, and March. Households on smart prepayment meters will have the discount credited directly in the first week of each month.

However, households on traditional prepayment meters need to take action to receive the discount. Residents with traditional prepayment meters, which are topped up using a key or card in a local shop or Post Office, will receive a voucher from their energy supplier. This could be sent by post, email, or text. 71 per cent of all prepayment vouchers [had been redeemed](#) by 31 December, but this still means over 1.7 million households have not yet redeemed their vouchers. Landlords should encourage residents on traditional prepayment meters to open letters from their energy supplier, look out for their vouchers, and claim the discounts they are eligible for. If customers with traditional prepayment meters don't receive a voucher, they should check that their energy supplier has the correct contact details for them.

If you manage any homes where electricity bills are included in rent payments, and you provide electricity through a domestic contract, you should also pass discounts on to your residents in line with [Ofgem rules](#).

Separately to these support schemes, eligible households could also get £150 off their electricity bill for winter 2022 to 2023 under the Warm Home Discount Scheme. This is open to households who are either in receipt of the Guarantee Credit element of Pension Credit, or on a low income and have high energy costs (in Scotland, eligibility criteria are set by energy suppliers). Financial advice teams should be aware of this scheme and encourage eligible households to apply.

## Additional support

Even with this support, we know that many households are still struggling to afford energy costs. There are a range of actions landlords can take to support residents who are struggling financially, for example advising on and distributing minor insulation measures such as draft excluders, asking gas engineers to reduce boiler flow temperatures (with resident agreement) when they conduct annual checks, and signposting to debt and other advice services. Landlords can also look to prioritise energy efficiency improvements for households in fuel poverty. However, for households under severe financial pressure, this may not be enough. If, after all avenues of support are exhausted, residents still cannot afford to heat their homes, landlords should proactively monitor the property for issues that may result (such as damp and mould) and do what they can to maintain the condition of the home. For further information about the cost of living crisis and how landlords are acting to support their residents, see our briefings [here](#).

## Heat networks

It is important that landlords who manage heat networks take appropriate action to ensure their customers receive the support they are entitled to. They must take swift action to pass on discounts to customers through the Energy Bill Relief Scheme.

Through the Energy Bill Relief Scheme, a cap has been introduced on the price paid for wholesale energy bought for heat networks and other non-domestic energy users. The cap has been set at 21.1p/kWh for electricity and 7.5p/kWh for gas and it applies to all wholesale energy contracts entered into since 1 December 2021. Customers who do not receive the benefits they are entitled to can raise a complaint with the Energy Ombudsman, after raising the issue with their energy supplier.

All landlords managing heat networks which qualify for the scheme (i.e., those which entered into contracts since 1 December 2021 at prices above the cap) must inform heat network customers how they will pass on the savings and pass them on as soon as reasonably practicable. Customers must be informed within 30 days of you receiving details of discounted prices from your energy supplier. A template letter to send to customers is available to download [here](#).

Specific guidance on the pass-through requirements of energy price support through the Energy Bill Relief Scheme is available [here](#).

When the Energy Bill Relief Scheme is replaced in April by the Energy Bills Discount Scheme, landlords will still need to pass on any discounts to their heat network customers. The government is yet to share firm details of how this will work.

## CIH response

These support packages are vital lifelines for households struggling with the ongoing cost of living crisis. Landlords should act quickly to support residents to receive these discounts, and to pass on savings wherever they provide energy to households.

Although we welcome these measures, we are concerned that they still leave many households facing unmanageable bills. Around [seven million households](#) will still be in fuel poverty this winter despite the energy price guarantee,

potentially rising to 8.6 million households in April 2023. An annual cap of £3,000 on energy bills from April 2023 will be unaffordable for millions. Other cost of living payments announced in the autumn statement will help households receiving benefits or pensions, but low-income households not in receipt of means-tested benefits have been left to fall through the cracks. Further commitments for energy efficiency measures are welcome, but with no new funding for the next three years this does not do enough to support households struggling now.

The government should follow through on its suggestion to introduce a social tariff to ensure that vulnerable and low-income households can afford to heat their homes, next year and in the long-term. They must also do more to protect households from being forcibly moved onto costly prepayment meters, by setting firm penalties for suppliers which move vulnerable customers onto them rather than the current voluntary ban.

