



Department for
Business, Energy
& Industrial Strategy

The Rt Hon Graham Stuart MP
Minister of State for Energy and Climate

Department for Business, Energy &
Industrial Strategy
1 Victoria Street
London
SW1H 0ET

To: All MPs

W www.gov.uk

30 January 2023

Dear Colleague,

Energy Bill Support Scheme alternative funding

I wrote to you on 25 November 2022 to outline the Government's ongoing support for households facing increased energy prices and I also want to update you further on progress on specific schemes in this area that cover more complex cases.

As outlined above, the Energy Bills Support Scheme is already providing a £400 non-repayable Government discount in instalments over six months from October 2022 to March 2023 to help 29 million households with their energy bills this winter. In addition, we have been working on the Energy Bills Support Scheme Alternative Funding, an application-based scheme which will be delivered by local authorities in Great Britain and by a contractor in Northern Ireland. The scheme will provide support to around 900,000 households in the UK who have not received the main Energy Bills Support Scheme as they do not have a direct relationship with a domestic electricity supplier.

On 19 December, the Government announced that applications for this extension to the Energy Bills Support Scheme in Great Britain would open in January and that eligible households would include residents of park homes and care homes, as well as those who either receive their electricity through commercial intermediaries or are off the grid entirely.

Developing and delivering a scheme of this kind is a complex task, and it is critical that we get it right so that households can quickly and seamlessly receive the support they need. We have been working closely with local authorities in Great Britain to design the scheme and to ensure they are sufficiently prepared for their role in delivering payments.

There are a number of points that we are still working through and that are vital for the safe, successful delivery of the scheme. These include finalising data sharing agreements with local authorities; finalising guidance for their staff, ensuring that data transfer from the gov.uk portal to the case management system is robust and secure; and carrying out the on-boarding and training of local authorities in the use of the case management system, including multi-factor authentication of system users to ensure data security.

A pilot of the application portal has been launched to identify any issues that would affect the delivery of support at a wider scale. Early feedback has led us to extend the pilot phase to ensure that we make the scheme as robust and effective as possible.

We have not taken this decision lightly and understand the concerns of colleagues and constituents who are struggling with energy bills. However, there are significant complexities in delivering a novel scheme with a wide variety of eligible groups with different energy arrangements. We must always ensure consumers and their personal data are protected, and public money is well spent, including by having robust verification and anti-fraud checks.

The scheme will open across all local authorities in Great Britain no later than 27 February. This will allow us to incorporate any changes to the application model following the pilot and to ensure that local authorities are properly prepared and trained in advance of the scheme launch. The exact date that an eligible household will receive support will depend on when the application is made and when the payment can be processed by the relevant local authority.

Households supplied via commercial contracts

In the meantime, households who receive their electricity via a commercial meter will already be benefiting from the Energy Bills Relief Scheme, which reduces the unit cost of gas and electricity and must be passed on to end users in a just and reasonable way. Those not connected to the gas grid will be eligible to receive £200 in Alternative Fuel Payments from February.

The Government will also provide a fixed payment of £150 to all UK non-domestic consumers who are off the gas grid and use alternative fuels, with additional 'top-up' payments for large users of heating oil based on actual usage. The Government is committed to delivering these Non-Domestic Alternative Fuel Payments as soon as practically possible.

I will continue to provide you with more information on the Energy Bills Support Scheme Alternative Funding and other government energy support as we progress delivery across the board.

Yours ever,

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.