



**Corporate Services
Director – Sharon Betts
Briefing Paper**

New Energy Support Schemes

Energy Bills Support Scheme
Alternative Funding
&
Alternative Fuel Payments
Alternative Fund

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Background

In response to the cost of living crisis, the Department of Business, Energy and Industrial Strategy (BEIS) announced details of two new schemes to be implemented by local authorities from 27 February 2023.

The Energy Bills Support Scheme Alternative Funding (EBSSAF) is aimed at providing support to households not eligible for the automatic Energy Bills Support Scheme (£400 payment already paid by energy suppliers) by way of providing a one-off £400 payment.

The Alternative Fuel Payments Alternative Fund (AFPAF) aims to support households that use fuels other than gas to heat their homes by way of providing a one-off £200 payment.

Details of these two schemes have been confirmed by BEIS in February 2023, and therefore there is no time to pass a report through Full Council, as they begin 27 February. Therefore, delegated authority is being sought to grant Sharon Betts, Director of Corporate Services full executive powers to administer these statutory schemes.

Eligibility

Eligibility for both schemes will be defined by BEIS, and therefore local authorities are simply required to administer payments in line with BEIS guidance.

Energy Bills Support Scheme Alternative Funding

Households who do not have a domestic electricity connection may be eligible for a payment of £400 under this scheme.

Households must be resident at the eligible property on the date they apply for the scheme, and it must be their sole or main residence. They must have a responsibility for paying energy and can only receive one payment per eligible property.

Households which may be eligible under the scheme include:

- Park home residents
- Partly and wholly self-funded care home residents
- Residences supplied via a landlord with a commercial meter
- Houseboats on residential moorings
- Off-grid households
- Traveller households on authorised sites
- Temporary/supported accommodation
- Business Premises used for domestic purposes

Alternative Fuel Payments Alternative Fund

Households that use fuels other than gas to heat their homes and cannot be paid automatically by their electricity supplier may be eligible for a payment of £200 under this scheme.

BEIS has not yet provided detailed guidance on this scheme but has advised that local authorities should expect to receive this after 21 February 2023.

What this means for local authorities

Administration

Applications will be made to both schemes via an online application form on central government's website. These applications will then undertake some preliminary eligibility checks before being passed to local authorities to do further eligibility checks (including residency) and issue payments to successful applicants. Those applicants unable to apply online themselves can request assistance from a third party or via a central government helpline.

Applications for both schemes will be open until 31 May 2023, and the local authority will have until 30 June 2023 to process any remaining applications and make final payments.

Final reconciliation will be expected to be complete for both schemes by 31 July 2023.

If any payments are found to have been made incorrectly, local authorities are responsible for recovering these payments from residents.

Comms

BEIS has confirmed that they will be issuing communications directly from 27 February 2023 to advise of the schemes.

Local authorities are advised to direct residents towards the centralised communications for advice and telephone applications, as well as to issue targeted communications to known groups if possible.

It is understood that some relevant organisations have also been advising their members of the scheme in order to encourage applications.

Finances

Energy Bills Support Scheme Alternative Funding

The Isle of Wight Council has been allocated £883,200 to make payments to eligible households for the EBSSAF on 20 February 2023. This would enable the council to make 2,208 payments if required.

BEIS has advised that local authorities will receive 80 per cent of their funding at the beginning of this scheme, and the remaining 20 per cent during the final stages. It has also advised that local authorities will be recompensed for any eligible payments made over the amount of funding initially provided.

Alternative Fuel Payments Alternative Fund

The amount which the Isle of Wight Council has been allocated to make payments for AFPAF has not yet been communicated by BEIS. It is expected that payments for this fund will be made to local authorities in March 2023, although they can start receiving applications from 27 February 2023.

BEIS has advised that local authorities will be issued with new burdens funding to assist with the administration of the two schemes, however no indication has been given as to how much this will be and when it will be received.

Risks

Local authorities will be fully recompensed for any eligible payments over and above the initial funding provided, however there may be a delay in receiving funding from BEIS causing a temporary deficit position.

As there is a requirement to share personal information between BEIS and local authorities, data sharing agreements have been put in place to ensure applications are processed in line with GDPR.

These energy payments may be available to applicants whose sole residences are in properties which are not banded for council tax because the council does not know about the property. Under council tax regulations, the council is required to bring the property into banding and charge council tax for any properties being used as a sole or main residence. Therefore, applicants in this situation may receive £400 towards energy, but may also receive a council tax bill for their liability from the date they moved into the property. This situation also raises other concerns in that if someone is found to be permanently resident in a park home and this breaches the terms of their agreement with the park, they may be required to vacate this property.

BEIS has implemented the two schemes to be administered by Revenues teams which are currently going through the annual billing process, putting the teams under significant pressure to get the schemes set up and payments made to applicants as quickly as possible.