

Cold Weather Plan for England and Winter 2022 Preparedness Programme Support Factsheet

This note is a summary of the information provided at the Cold Weather Plan for England and Winter 2022 Preparedness Programme on the 22nd September.

Fuel poverty is impacted by three primary factors:

- 1) Household income,
- 2) Energy prices,
- 3) And the energy efficiency of the home.

Energy efficiency improvements are key in tackling fuel poverty in the long term, reducing energy bills and contributing to reduced carbon emission in line with net zero. Financial support is also vital in enabling households to heat their homes sufficiently, which is crucial in maintaining both physical and mental health.

High energy prices will impact households differently, which is why there is a mixture of targeted and wider support in place. It is also important that the support can be easily accessed, which is why government seeks to automate systems, where possible, to reduce the need to apply.

Please note that fuel poverty is devolved. Different strategies and support may be in place depending on location.

Notes and links to the support in place this year:

The Warm Home Discount

- Government has extended the Warm Home Discount to at least 2025/26 and expanded the spending envelope from around £350m to £475m (in 2020 prices) per year.
- Over 3 million low income and vulnerable households will receive a rebate of £150 off their energy bills each winter from 2022/23. This is around 800,000 more than last winter.
- In addition, we expect around £40 million in England and Wales and up to £7 million in Scotland worth of support to be provided to those most at risk of fuel poverty through Industry Initiatives such as debt relief, energy advice and energy efficiency improvements in 2022/23 and rising thereafter.
- General information: <u>https://www.gov.uk/the-warm-home-discount-scheme</u>
- Extended scheme: <u>https://www.gov.uk/government/consultations/warm-home-discount-better-targeted-support-from-2022</u>

The Winter Fuel Payment

- If you were born on or before 25th September 1956 you could get between £250 and £600 to help you pay your heating bills. This is known as a 'Winter Fuel Payment'.
- The amount you'll get includes a 'Pensioner Cost of Living Payment'. This is between £150 and £300. You'll only get this extra amount in winter 2022 to 2023. This is in addition to any Cost of Living Payment you get with your benefit or tax credits.
- o https://www.gov.uk/winter-fuel-payment

The Cold Weather Payment

- Eligibility: You may get Cold Weather Payments if you're getting:
 - Pension Credit
 - Income Support
 - Income-based Jobseeker's Allowance
 - Income-related Employment and Support Allowance
 - Universal Credit
 - Support for Mortgage Interest
- You'll get a payment if the average temperature in your area is recorded as, or forecast to be, zero degrees Celsius or below over seven consecutive days.
- You'll get £25 for each seven day period of very cold weather between 1st November and 31st March.
- o https://www.gov.uk/cold-weather-payment

The Energy Bill Support Scheme

- The Energy Bills Support Scheme (EBSS) will deliver a £400 non-repayable government discount in instalments over six months from October to March to help 29 million households with energy bills over the winter.
- Under the EBSS, households will start receiving £400 off their energy bills from October, with the discount made in six instalments to help families throughout the winter period.
- This support will apply directly for households in England, Scotland, and Wales. It is GB-wide, and we will deliver equivalent support to people in Northern Ireland.
- <u>https://www.gov.uk/government/news/400-energy-bills-discount-to-support-households-this-winter</u>
- o <u>https://www.gov.uk/guidance/getting-the-energy-bills-support-scheme-discount</u>

The Cost of Living Support Package

- The Cost of Living package announced earlier this year includes targeted support for the most vulnerable households:
 - More than 8 million households on means tested benefits who will receive a payment of £650.
 - Over 8 million pensioner households who receive the Winter fuel Payment will also receive a £300 Cost of Living Payment.
 - Six million households who receive disability support will receive £150 Disability Cost of Living Payment.
- The government will make these payments directly to eligible people/households across the UK.
- <u>https://www.gov.uk/government/publications/cost-of-living-support/cost-of-living-support-factsheet-26-may-2022</u>

Household Support Fund

 To support people who need additional help, the government is providing an extra

£500 million of local support, via the Household Support Fund, which will be extended from this October to March 2023. This brings the total amount provided through the Household Support Fund to £1.5 billion since October 2021.

- The Household Support Fund helps those in most need with payments towards the rising cost of food, energy, and water bills. The Household Support Fund is administered by local councils in England and further information will be available directly from them. Eligibility will be determined by individual councils.
- The Barnett formula provides a share of this funding to the devolved administrations in Scotland, Wales, and Northern Ireland so they can decide how to provide support.

The Energy Price Guarantee

- The Energy Price Guarantee will ensure that a typical household in Great Britain pays an average £2,500 a year on their energy bill, for the next two years, from 1st October 2022.
- The consumer saving will be based on usage, but a typical household will save at least £1,000 a year (based on current prices from October). Energy suppliers will be fully compensated for the cost of the Energy Price Guarantee.
- <u>https://www.gov.uk/government/publications/energy-bills-support/energy-bills-support-factsheet-8-september-2022</u>

Energy efficiency schemes targeted toward low income households

The Energy Company Obligation

- The Energy Company Obligation (ECO) is an obligation that the government has placed on larger energy suppliers to install energy efficiency and heating measures to people's homes in England, Scotland and Wales.
- The ECO3 scheme ended in March 2022 and its successor, ECO4, will run for four years until March 2026 (worth £4 billion).
- <u>https://www.ofgem.gov.uk/publications/eco4-guidance-local-authority-administration</u>
- <u>https://www.gov.uk/government/consultations/design-of-the-energy-company-obligation-eco4-2022-2026</u>

Local Authority Delivery Scheme

- The Local Authority Delivery Scheme (LAD) is focused on low-income households in homes that most need energy efficiency upgrades. The scheme is prioritising homes with low Energy Performance Certificate (EPC) ratings of D, E, F & G.
- Phase 2: <u>https://www.gov.uk/government/publications/green-homes-grant-local-authority-delivery-scheme-phase-2-funding-allocated-to-local-net-zero-hubs</u>

Home Upgrade Grant (see Sustainable Warmth Competition)

 The Home Upgrade Grant scheme is a fuel poverty focused scheme for lowincome households living in the worst performing, off gas grid homes in England, which are in most need of energy efficiency upgrades and low carbon heat. Only homes with EPC ratings of D, E, F & G are eligible.

Sustainable Warmth Competition

- LAD Phase 3 funding has allocated almost £287m extra and has been brought together with £219m from the Home Upgrade Grant Phase 1 to create a single funding opportunity, the Sustainable Warmth Competition, which was launched on 16th June 2021. Delivery commenced in early 2022 and will continue until March 2023.
- <u>https://www.gov.uk/government/publications/apply-for-the-sustainable-warmth-competition</u> (closed to applications)
- <u>https://www.gov.uk/government/publications/sustainable-warmth-competition-successful-local-authorities</u>

Social Housing Decarbonisation Fund

- The Social Housing Decarbonisation Fund will upgrade a significant amount of the social housing stock currently below EPC C up to that standard, delivering warm, energy-efficient homes, reducing carbon emissions and fuel bills, tackling fuel poverty, and supporting green jobs.
- <u>https://www.gov.uk/government/publications/social-housing-decarbonisation-</u> <u>fund-wave-2</u>

Other useful links:

Find grants for your home (Help to Heat): <u>https://www.gov.uk/government/collections/find-energy-grants-for-you-home-help-to-heat</u>