

meeting date: 28 MARCH 2023

title: ALTERNATIVE FUNDING SCHEMES FOR THE ENERGY BILLS  
SUPPORT SCHEME AND THE ALTERNATIVE FUEL PAYMENT UPDATE

submitted by: DIRECTOR OF RESOURCES

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## 1 PURPOSE

- 1.1 To update Committee about the progress made with the alternative support for household energy bills announced by Department for Energy Security and Net Zero (ESNZ) in December 2022.

## 2 BACKGROUND

- 2.1 The Government committed to providing support to consumers with their energy costs this winter via the Energy Bills Support Scheme (EBSS) and the Energy Price Guarantee (EPG).
- 2.2 This support is primarily delivered directly as a credit to electricity bills and as a reduction to the unit cost of electricity and gas. However, around one million households across the UK will miss out on EBSS as they do not directly contract with an electricity supplier. They will instead qualify for £400 assistance via the Energy Bills Support Scheme Alternative Funding (EBSSAF).
- 2.3 In addition the Government are providing £200 payments to households that use alternative fuels as their main source of heating i.e. Alternative Fuel Payment (AFP) via their electricity supplier.
- 2.4 Households that are not paid automatically will receive £200 via the Alternative Fuel Payment Alternative fund (AFPAF).
- 2.5 The Government have provided guidance to Local Authorities (LA's) setting out what our role will be in getting these payments to eligible households.

## 3 ISSUES

### **Eligibility**

### **ESSSAF**

- 3.1 ESNZ set out the following criteria for eligibility:
  - The dwelling the support is being claimed for is the sole and main residence of the beneficiary.
  - The applicant is responsible for paying for energy used in the dwelling.
  - The household dwelling is not already benefitting from a EBSS payment.
  - The household dwelling is not a business premises and is used wholly or mainly for domestic purposes, except for businesses whose main business activity is to provide long term residential accommodation (landlords etc.).
- 3.2 Examples of groups in scope include:
  - Care home residents (provided they pay towards their care)

- Park home residents
- Households in caravans and houseboats on fixed/registered sites.
- Social and private tenants who get their energy through a commercial supplier e.g. landlords
- Heat network customers not already covered by EBSS
- Farmers in domestic farmhouses, as well as other in domestic residences with a commercial supply
- Homes off the grid

NB this is not an exhaustive list.

### **AFPAF**

3.3 BEIS has set out the following criteria for eligibility:

- The dwelling for which support is being claimed is the sole of main residence of the applicant.
- The applicant or household is responsible for paying for the alternative fuel used in the dwelling as the household's main source of heating and may, through their charges increasing, have the impact of increased alternative fuel costs passed on to them between 1 September 2022 and 31 May 2023.
- The household has not or will not receive a payment through the main AFP scheme.
- The household dwelling is not a business premises or other form of non-domestic premises, is used wholly or mainly for domestic purposes, with the exception of businesses whose main business activity is to provide long term residential accommodation (landlords etc.). Only households, and not the business themselves, may apply for AFPAF.

3.4 Examples of households eligible include:

- Park home residents
- Housing association, social and private tenants, and leaseholders, supplied via a landlord with a commercial meter.
- Households on house boats on residential moorings.
- Households on a private electricity network e.g. heat networks.
- Off grid households
- Traveller households on authorised sites.
- Households in non-permanent/supported accommodation.

### **Applications**

3.5 Applications will be made through a centralised form on Gov.uk.

3.6 A national call centre will be in place for general queries and for those who need to access assisted digital support.

- 3.7 ESNZ will carry out verification checks to ensure applicants already getting EBSS or AFP are prevented from applying.
- 3.8 All payments will be made by BACS and ESNZ will verify bank details before sharing data with Local Authorities.
- 3.9 Verified applications will be passed to LA's who will be asked to carry out three further checks:
- Address verification e.g. Council Tax records
  - Payment details i.e. bank details match name of applicant
  - Check to ensure an EBSSAF or AFPAF payment has not already been made.
- 3.10 LA's will then be required to make the payment, issue decision letters and report the outcome to ESNZ.

### **Funding**

- 3.11 Grant determination letters have been sent to us by ESNZ. We have been allocated £358,800 for EBSS AF and £97,000 for AFP AF i.e. an estimated 897 cases of EBSS AF and 485 cases of AFP AF.
- 3.12 A majority share of the total estimated grant funding has been paid to us.
- 3.13 There will be a reconciliation and assurance process at the end of the scheme.
- 3.14 The Government is committed to providing new burdens funding to LA's for this scheme.

### **Progress**

- 3.15 Applications have started to be made by households.
- 3.16 We have registered and been granted access to the Government Salesforce system containing the applications.
- 3.17 We are currently assessing applications and intend to start making payments by the end of March.

## **4 RISK ASSESSMENT**

- 4.1 The approval of this report may have the following implications:
- Resources – Funding for making the payments is being provided by ESNZ and a new burdens assessment is being done to cover administration etc.
  - Technical, Environmental and Legal – Grant determination letters have been issued by ESNZ which authorise us to make payments on their behalf using the format used for Section 31 LGA Grants.
  - Political – It is essential that we make these payments as efficiently and effectively as possible to ensure funding gets to those in need.
  - Reputation – Failure to deliver this scheme efficiently and effectively would have a negative reputational impact.
  - Equality and Diversity – Eligibility and the application process has been delivered by ESNZ. LA's role is to verify that the applicant is resident at the dwelling notify the decision and make payments.

5 RECOMMENDATION

5.1 Note the progress being made to administer these payments for ESNZ.

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF35-23/ME/AC  
20 March 2023