

## Energy Bills Rebate – Factsheet

### What has the government announced?

- The government has announced a package of support to help households with rising energy bills, worth £9.1 billion in 2022-23.
- This includes:
  - A **£200** discount on their energy bill this Autumn for domestic electricity customers in Great Britain. This will be paid back automatically over the next 5 years.
  - A **£150** non-repayable rebate in Council Tax bills for all households in Bands A-D in England.
  - **£144 million** of discretionary funding for Local Authorities to support households who need support but are not eligible for the Council Tax rebate.
- The devolved administrations are receiving around £715 million funding through the Barnett formula as usual where UK Government support doesn't cover Scotland, Wales or Northern Ireland.

### Why is the government providing support?

- The government recognises many households will need support to deal with rising energy costs, which are being affected by global factors.
- From 1 April, the energy price cap will rise from £1,277 to £1,971 – an almost £700 increase in energy bills for the average household.
- Wholesale gas prices have quadrupled in the last year. Because gas is used for electricity generation this pushes up retail electricity bills as well as retail gas bills.

### How will the Energy Bill Discount Scheme work?

- Domestic energy customers in Great Britain will receive a **£200** cash discount on their bills this Autumn. The government will provide funding to all suppliers for them to pass on to their domestic energy customers from October.
- Customers will pay back the discount automatically in equal instalments over five years, starting from financial year 2023-24, when wholesale gas prices are expected to come down. This is expected to be reflected as an increase to standing charges on bills.
- This approach will help to spread the increased costs of global prices over time in a way that is more manageable for households.
- The Department for Business, Energy and Industrial Strategy will set out more detail on this policy in a consultation in the spring.

### How will the Council Tax rebate work?

- Households in England in Council Tax Bands A-D will be eligible for a **£150** rebate in their council tax bill in April this year.
- The rebate to bills will be made directly by local authorities. This won't have to be repaid.
- 80% of households in England are in Council Tax Bands A-D, so will benefit from this rebate. The rebate will not be paid for second homes or empty properties.
- We expect the vast majority of people who pay by Direct Debit to receive this money in April. For households in Bands A-D who do not pay by Direct Debit, their councils will be ready to process their claims in April.
- For those with council tax bills lower than £150 that month, it will take a bit longer to receive the benefit in full. Almost all households should see the full benefit by May.

- The government is providing new funding to local authorities for these rebates, as well as extra funding to help with increased administrative costs.
- For those who need help with their energy bills but are not eligible – such as households on income support in higher bands (E-H) or with properties in bands A-D that are exempt from council tax – local authorities will receive £144 million of discretionary funding to help.
- Further details will be set out by the Department for Levelling Up, Housing and Communities and local authorities.

### **Will people across the whole UK benefit?**

- The £200 energy bills discount applies across England, Wales and Scotland. The Northern Ireland Executive is responsible for energy policy in Northern Ireland. The Northern Ireland Executive will be funded to provide comparable support with around £150 million through the Barnett formula next year. The Barnett formula will also be applied when UK Government spending is recovered in future years, which will result in lower funding for the Executive in those years.
- The £150 Council Tax Energy Rebate applies in England only, as Council Tax policy is devolved in Wales, Scotland and Northern Ireland. As a result, the devolved administrations will receive around £565 million extra funding through the Barnett formula, which will enable them to provide similar support. They will be able to choose whether to spend this funding this year or next year.
- This comprises around £290million for the Scottish Government, £175million for the Welsh Government and £100million for the Northern Ireland Executive.

### **What other help is available for people struggling with the cost of living?**

- These new measures are on top of the existing £12 billion support the government is providing for the cost of living this financial year and next. This includes reducing the Universal Credit taper rate, raising the National Living Wage, freezing alcohol and fuel duties and providing targeted help with energy bills.
- The table below shows the total available funding per household to support with energy bills, depending on eligibility.
- The government is continuing with plans to expand eligibility for the Warm Home Discount by almost a third and increase the rebate value to £150 each year (from £140). 3 million vulnerable households will now benefit from the £150 supplier rebate. More detail will be published shortly in the government response to the consultation on this.
- A fuller explanation of how the government is helping with the cost of living is available in a separate factsheet here <https://www.gov.uk/government/publications/government-support-for-energy-bills-and-the-cost-of-living-factsheets>

<b>Measure</b>	<b>Eligibility and Beneficiaries</b>	<b>Value</b>
<b>Universal Rebate</b>	All GB households.	£200
<b>Council Tax Rebate</b>	Households in England in council tax bands A-D.	£150
<b>Warm Home Discount (WHD)</b> (as per current consultation)	Households in receipt of Pension Credit, Guarantee Credit, and some working age benefits. 3 million households.	£150
<b>Winter Fuel Payment</b>	All households with at least one member above state pension age. £200 per household to those under 80, £300 to those over 80. 11.2 million households.	£200-£300
<b>Total available funding (depending on eligibility)</b>		<b>Up to £800</b>