



Department for
Business, Energy
& Industrial Strategy

Billing Authority Chief Executive
and Chief Financial Officers in Great Britain

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

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Dear Chief Executives,

Alternative Support for Household Energy Bills this Winter

I am writing to notify you of the Government's intention for the Department for Business, Energy and Industrial Strategy (BEIS) to work in partnership with Local Authorities across Great Britain to deliver Alternative Funding for help with consumers' energy bills.

The Government has committed to providing support to consumers with their energy costs this winter. This support is already being made available via the Energy Bills Support Scheme (EBSS) and the Energy Price Guarantee (EPG) for households, and the Energy Bill Relief Scheme (EBRS) for businesses. This support is primarily being delivered directly as a credit to electricity bills and as a reduction to the unit cost of gas and electricity. However, around one million households across the UK will miss out on EBSS as they do not themselves directly contract with a domestic electricity supplier. They will instead qualify for assistance via our Alternative Funding scheme.

In addition, the Government has announced the Alternative Fuel Payment (AFP), for households that use fuels other than gas to heat their homes. The Government has also said it will provide support to non-domestic customers who use alternative fuels, such as heating oil. There may be a role that we will ask Local Authorities to perform, which will entail providing support to the small number that will not receive it automatically, and further information on this will be provided as soon as possible. Thank you in anticipation!

The Government has considered a range of delivery mechanisms, focusing on the need for provision to be made this winter and to ensure protection of public money, and will be asking Local Authorities in Great Britain that are responsible for council tax records and collection ("Billing Authorities") to act as the delivery bodies for the Alternative Funding. I appreciate that central Government has asked a lot of Local Authorities over the last few years, in terms of asking them to deliver complex and extensive schemes, and that resources are stretched. However, I also recognise that Local Authorities have demonstrable and unrivalled skills in partnering with Government to provide the swift response required to support energy consumers over the challenging winter period. These include an understanding of the local communities they serve, the ability to administer grant application processes and protect public money by mitigating against the risks of fraud and payment error.

Through the response to Covid-19, BEIS has developed expertise and structures to work in partnership with Local Authorities in England on emergency grant delivery. I would like to build on this experience and the lessons learned to deliver this critical support with minimum administrative burden. The Government will work in partnership with Local Authorities to consult on the scheme guidance and indicative timetable as soon as possible, use existing relationship structures, and work together to build on tested processes for reporting and assurance. The delivery model aims to reduce the burden on Local Authorities through a single application form on Gov.UK which will centralise as much of the data gathering and validation as possible. The Government will then share applications with LAs whose primary role will be to verify applicants' addresses once they have passed through the application portal, and to transfer the relevant support to successful applicants. The requirement will be for applicants to prove their eligibility, with the majority of Local Authority efforts being desk-based. The Government will run a communications campaign to raise awareness of the scheme.

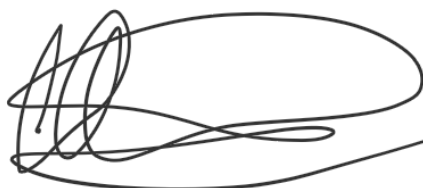
In co-designing this delivery approach, the focus is on keeping processes as simple as possible for applicants and Local Authorities. Where possible, I am keen to repurpose existing processes to make delivery rapid and straightforward. The Government will support Local Authorities as much as possible in delivering the funding, and work closely with them to ensure that appropriate new burdens funding is provided alongside the grants to support people in your areas. Subject to a New Burdens Assessment, the Government will meet the reasonable costs for delivering the funding, including funding for administrative and IT costs.

The Government will engage with Local Authorities over the coming weeks to refine the design, to ensure we create a scheme that works for recipients and delivery partners alike. My department will issue further information soon, which will outline the level of grant funding allocated to each Local Authority, alongside detailed guidance for Local Authority operational teams. The Government will hold a webinar in the coming weeks, so that Local Authorities will have opportunities to ask questions ahead of applications going live on Gov.UK. A date is being finalised for when the scheme will launch, to provide support for this winter.

Thank you in advance for your assistance in administering this vital package of support for the increased costs of energy households across Great Britain.

I have copied this letter to the Prime Minister, the Chancellor of the Exchequer, the Secretaries of State for Levelling Up, Housing & Communities, Scotland and Wales, the Scottish Government, the Welsh Government, the Local Government Association, the Convention of Scottish Local Authorities and the Welsh Local Government Association.

Yours Sincerely,

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

THE RT HON GRAHAM STUART MP
Minister of State for Energy and Climate