

The Rt Hon Grant Shapps MP
Secretary of State
Department for Business, Energy and Industrial Strategy
1 Victoria Street
London
SW1H 0ET

15 December 2022

Dear Secretary of State,

RE: The Energy Bill Relief Scheme Review and continued support for housing associations and their residents beyond March 2023

The National Housing Federation (NHF), Community Housing Cymru (CHC) and the Scottish Federation of Housing Associations (SFHA) represent housing associations in England, Wales and Scotland.

We are writing to you ahead of the publication of the Energy Bill Relief Scheme (EBRS) review to ask you to ensure that all social housing providers continue to receive support through the EBRS beyond March 2023. We are also asking you to ensure that heat network customers (and all those without a direct relationship with their energy supplier) receive support through the EBRS that is equivalent to the Energy Price Guarantee (EPG) throughout this winter and after March 2023.

We recognise that the government cannot continue to support all sectors with their commercial energy contracts indefinitely, and we understand there is a need for support to become more targeted toward those who need it most beyond March 2023. However, we want to highlight the difficult position housing associations are in as not-for-profit organisations.

Prior to the EBRS being announced, housing associations in England were expecting to pay up to 500% more for their commercial electricity and gas contracts. Meanwhile in Wales, housing associations were predicting an increase of up to 1055.4% in gas prices per week, per tenant by April 2023 (compared to April 2022). Price hikes are also being experienced in Scotland, and this is particularly concerning for supported and sheltered housing where commercial energy contracts are more common. These increases leave housing associations in the extremely difficult position of either having to try to absorb these extra costs or pass on the increases on to vulnerable, low-income residents.

We welcome the various government support packages to help housing associations and their residents with the rising cost of energy. The EBRS has provided welcome relief to offset spiralling costs so far, but housing associations need more certainty than the six-month period that the UK Government has committed to, to date. There are also gaps in this support with the non-domestic energy contracts and 'heat with rent' schemes prevalent within the social sector, particularly among supported and sheltered housing providers, being overlooked. It is important that these types of schemes are considered in any decisions about future interventions.

The EBRS has also provided welcome support for social housing residents whose energy supply is considered to be commercial rather than domestic because they do not have a direct relationship with an energy supplier (often because they are on a heat network). Residents in this position are often in sheltered or supported housing and therefore tend to be older and vulnerable tenants. Currently these tenants have no guarantee that they will continue to receive support beyond March 2023, meaning that there will be no limit to how much they could be charged at commercial rates. For those already vulnerable tenants, this puts them in an even more vulnerable position. It is therefore crucial for heat network customers to receive support that is equivalent to the support other domestic customers are receiving via the EPG, including beyond March 2023.

We urge the UK Government to take these factors into consideration in its review to ensure the most vulnerable in society are adequately protected from the impacts of the energy crisis, this winter and beyond.

If you, or your officials, would like to discuss this in more detail, please don't hesitate to get in touch.

We look forward to your response.

Yours sincerely,

Kate Henderson, Chief Executive at the National Housing Federation, **Stuart Ropke**, Chief Executive at Community Housing Cymru and **Sally Thomas**, Chief Executive at the Scottish Federation of Housing Associations