

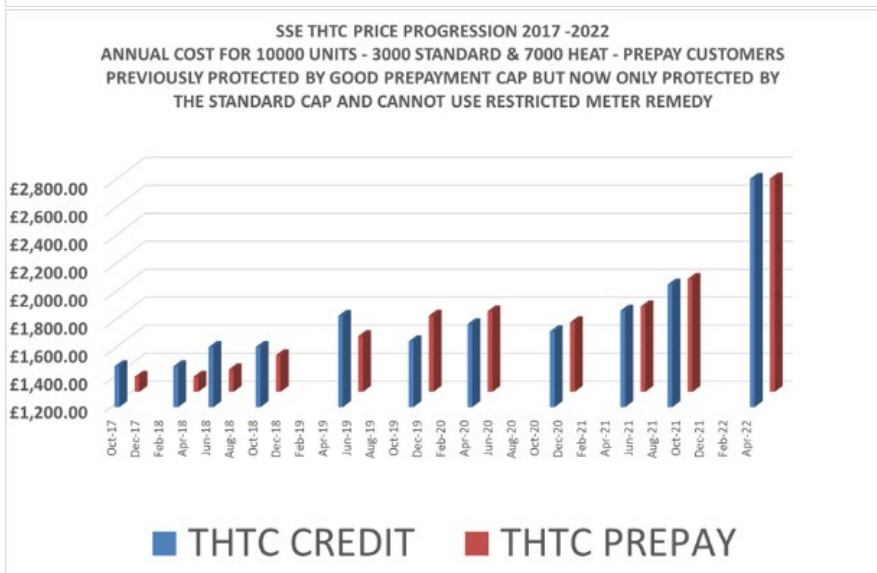
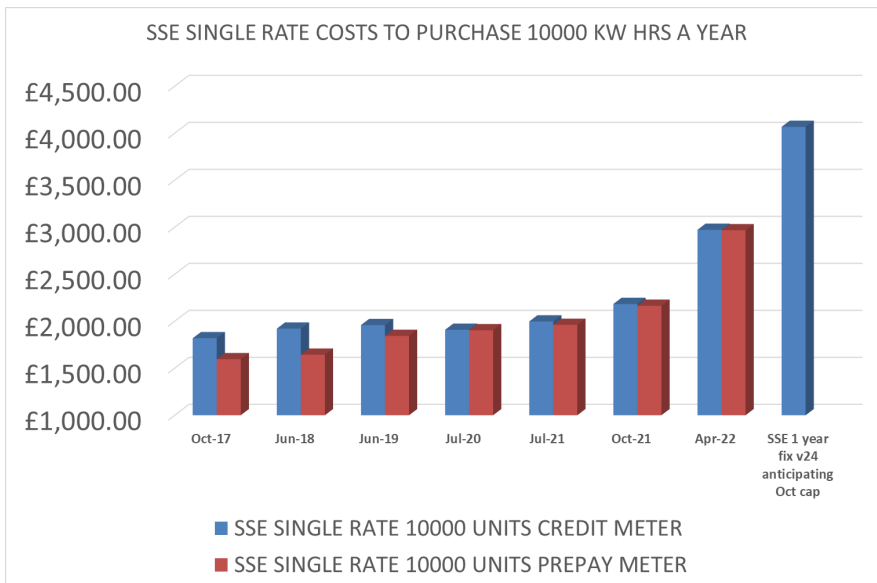
Energy PriceWatch – LSHA Tenant Update June 2022

In February 2022 we published a statement on our website from the LSHA Chief Executive, in response to the ongoing energy crisis, outlining the challenges we and our tenants face. This is an update now that we now know the energy price cap rates for April - autumn and can see the likely winter trends. It is not good news so we advise everyone to be aware of the changes and budget accordingly.

The LSHA Energy Advice Team has been tracking electricity prices for a long time and producing bi-monthly reports on market trends. Historically this assisted people to potentially switch supplier to cheaper rates – but the switching market disappeared in 2021 with the collapse of 30 energy companies and now most electricity rates are stuck on the energy cap.

Energy Price Progression

These two charts show two common electricity tariffs in the Highlands and Islands – single rate and THTC and show how much prices have risen in the last five years



THE CURRENT ENERGY CAP?

There has been a lot in the news about the energy cap increasing and households across the UK having to pay much more for their energy. The CAP is the maximum amount a household should pay

if they are a “typical domestic user” and the CAP is currently reviewed in the spring and the autumn. A typical energy user in the UK is a household that uses 12000 kWhrs of energy from GAS for domestic heating and hot water, and 2900 kWhrs of electricity for light and power. The CAP tells you your costs you if you use a similar amount - that is 14900 kWhrs of energy in total; the current CAP for such a dual fuel consumer is around £2000 annually. If you use more energy, you will pay more - if you do not have Mains Gas you will pay more, if you use electricity for heat you will pay more and if you have an unregulated fuel like heating oil you will pay more.

Skye and Lochalsh is firmly in the Pay More category – we have no access to mains Gas and the majority of LSHA homes use a single fuel – electricity – bar the 91 homes on the Portree District Heating system.

The unit costs of electricity are much higher than Mains Gas so in this part of the world we end up having to pay more – to buy less energy.

This next table shows the current North Scotland CAP costs for a typical dual fuel UK consumer (this includes homes in Inverness and other Highland towns with access to Mains Gas).

Dual fuel typical current cap	Prepay meter	Credit meter
12000 KWS gas	£1,015.67	£978.95
2900 KWS electric	£1,003.03	£991.82
Total	£2,018.71	£1,970.77

The following table shows that LSHA tenants have to pay much more than this – to buy less Energy

Current dual fuel 12000 kWhrs gas and 2900 kWhrs electricity	£1,970.77	Based on typical consumptions
Single rate electricity 10000 kWhrs	£2,967.60	
E10 electricity 10000 kWhrs	£2,906.61	60% peak
E7 Electricity 10000 kWhrs	£2,641.46	40% peak
THTC electricity 10000 kWhrs	£2,830.61	70% heat
Average LSHA	£2,247.32	For half of the average UK consumption – just 7400 kWhrs
Without access to mains gas, it costs £1000 a year more for electrical heat, to use 33% less. Due to high energy prices enforcing rationing in LSHA homes, a tenant uses half the energy of an average UK home but pays £275 more.		

AT CURRENT PRICES WHAT MIGHT MY ANNUAL COSTS BE?

If you know how much energy you use per year, this table will help you to predict your likely annual costs at Summer 2022 prices, based on your meter type:

CREDIT METER	single rate	E7	E10	THTC
<i>typical balance of use</i>				
3000 units	£1,019.72	£921.07	£1,002.28	£1,029.01
5000 units	£1,577.72	£1,413.11	£1,536.56	£1,549.91
7500 units	£2,275.22	£2,028.16	£2,204.41	£2,233.36
10000 units	£2,972.72	£2,643.21	£2,872.26	£2,830.61
15000 units	£4,367.72	£3,873.31	£4,207.96	£4,111.31

AUTUMN 2022 CAP INCREASE

To buy 10000 units of electricity for heating and power is around £3000 currently but we anticipate that the Autumn CAP increase will bring this cost to just under £4000. This table summarises the anticipated Autumn CAP prices for dual fuel customers and electricity for heat and power customers. All UK households face significant additional costs

Current dual fuel cap	15000 units	£2,000
Electricity for heat and power	10000 units	£3,000
Projected dual fuel cap in Autumn	15000 units	£2,745
Projected electricity for heat and power in Autumn	10000 units	£4,000

As a reminder - In June 2021 if you had switched to a cheaper supplier it had been possible to buy 10000 units of electricity for just £1400 a year - costs have therefore already doubled from that base and are increasing further.

GOVERNMENT ASSISTANCE SCHEMES

The following support schemes have been identified so far. (thanks to Money Advice Scotland for their helpful summaries) <https://www.moneyadvicescotland.org.uk/help-with-energy-costs>

- All households in Council Tax Bands A-D were given a £150 Council Tax Reduction from their local authority in anticipation that a household will apply this to their energy bills.
- In the Autumn all households in the UK will be allocated a £400 non-repayable grant for their energy bills
- Additional One-off payment of £650 for households in receipt of benefits e.g. People who currently receive (or had already begun an eventual successful claim as of 25th May 2022) for means-tested benefits including Universal Credit, Income-based Jobseekers Allowance, Income-related Employment and Support Allowance, Income Support, Working Tax Credit, Child Tax Credit, and Pension Credit.
- One-off payment for pensioners who receive winter fuel payment of £200-£300. The payment will come as a top-up to annual Winter Fuel Payments in November/December. For most pensioner households, this will be paid by direct debit, is not taxable and does not affect eligibility for other benefits. The payment will be made on top of other payments that the recipient is entitled to.
- A One-off payment of £150 for people in receipt of disability benefits eg People who currently receive (or had already begun an eventual successful claim as of 25th May 2022) for Disability Living Allowance, Personal Independence Payment, Attendance Allowance, Scottish Disability Benefits, Armed Forces Independence Payment, Constant Attendance Allowance and War Pension Mobility Supplement
- The Warm Home Discount in Scotland will focus support on those in receipt of means-tested benefits such as Universal Credit and Pension Credits and households will receive £150
- The Scottish Government is replacing cold weather payments with a new Low Income Winter Heating Assistance scheme for those if they are in receipt of any of Pension Credit, Income Support, income-based Jobseekers Allowance, income-related Employment and Support Allowance, Universal Credit and Support for Mortgage Interest. All eligible will receive a £50 payment.
- The Child Winter Heating Assistance is a benefit from the Scottish Government. It was first paid in 2020 and it is a payment to help disabled children, young people, and their families with increased heating costs over winter. It is paid once a year. The payment for winter 2022-2023 is £214.10. You do not need to apply for the payment if the child currently lives in Scotland. If the child or young person is eligible, you'll be paid automatically into the same account that your Disability Living Allowance for children is paid into
- The Home Heating Support Fund <https://homeheatingadvice.scot/> is also still open

Top tips for energy costs and budgeting



- ✓ Take weekly meter readings to work out your energy use and costs regularly – avoid getting a surprise on your bill! Take pictures of your meter readings as evidence in case you need to challenge your energy company about the charges

- ✓ Check your energy bill statements to make sure they have been costed based on your real meter readings rather than estimates



- ✓ Plan for winter - all households use around half of their heating energy in the cold weather, so budget early

- ✓ Ask us for help – the Energy Advice team can visit your home to explain how your heating works, show you how good ventilation works, and help you work out your energy costs. Our Tenant Adviser can help you with budgeting if you need this too.

Lochalsh & Skye Housing Association
Energy Advice
Services

moneyadvicescotland
Scotland's Money Charity

- ✓ If you would like money advice help, talk to an adviser <https://www.moneyadvicescotland.org.uk/>

- ✓ If you are in energy debt, talk to your energy company and ask for help. They can offer a range of options to help you manage payments



- ✓ Get advice from Citizens Advice via their website or call the local office [01478 612032](tel:01478612032)
<https://www.citizensadvice.org.uk/consumer/energy/energy-supply/get-help-paying-your-bills/grants-and-benefits-to-help-you-pay-your-energy-bills/>