

# Utility Bill Price Rises

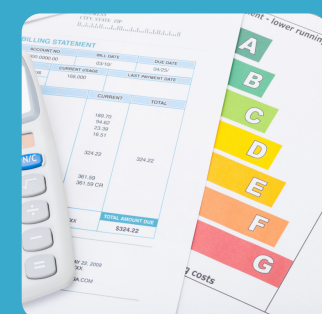


The UK Government recently announced an increase in the UK Energy Price Cap which is designed to protect consumers from high fuel prices by limiting the amount energy suppliers can charge. With both a surge in global demand and now the impact of the conflict in the Ukraine, April's price rises look like only the first step in a sizeable increase in utility bills for everyone with more expected in October.

The cap will increase from 1 April 2022 for approximately 22 million customers. Those on default tariffs paying by direct debit will see an increase of £693 from £1,277 to £1,971 per year. Prepayment customers will see an increase of £708 from £1,309 to £2,017. These are based on a home with average energy usage.



	Old Energy Cap limit	New Energy Cap limit
Gas Unit Cost	4.1p	7.4p
Gas Standing Charge	26.1p	27.2p
Electricity Unit Cost	21p	28p
Electricity Standing Charge	25p	45p



The energy price cap does not apply to every energy customer however and only caps the price of the unit and standing charge you are billed - there is no limit on the total bill you can be charged!

## It does apply if:

- **You're on a default energy tariff, regardless of how you pay your bills.**

A default energy tariff, according to Ofgem, is the most basic tariff an energy supplier offers. The most common type is a 'standard variable' tariff. This means the amount you pay is subject to price changes, although your supplier should write to confirm any changes with a notice period. A standard variable tariff can't be higher than the price cap. Energy suppliers have different names for their default tariffs. If you aren't sure what tariff you're on, your energy supplier will be able to tell you.

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The price cap does not apply if:

- You're on a fixed-term energy tariff (i.e. a tariff with a fixed end date).
- Your tariff is exempt from the price cap, for example, some green and special time of use tariffs.

The guidance at present from various consumer advice sources is that you should not look to switch your utility provider at present but rather remain with your current supplier. Locking in to fixed price agreements at present is likely to see you paying significantly more than you would if you stayed with your current provider.



Support mechanisms such as a £200 bill deduction (which is paid back over the next 4 years) and a one-off £150 Council Tax rebate for eligible homes are being deployed. Fife Council will be distributing this as the Cost of Living Award and will be awarded to either:



- A person who lives in a dwelling in any Council Tax valuation band, is liable for Council Tax and was in receipt of Council Tax Reduction (CTR) on the 14th February 2022
- A person who lives in and is liable for Council Tax in a band A-D dwelling on 14th February 2022 and does not receive Council Tax Reduction. All OVHA properties are in band A-D.
- Certain types of household otherwise exempt for Council Tax:
  - all the occupants are under 18;
  - all the occupants are care leavers;
  - all the occupants are severely mentally impaired;
  - the property is unoccupied because the resident has gone to someone else's home to provide care or the resident receives care elsewhere
- Additionally, persons accessing Housing Support Service and/or living in temporary accommodation or a refuge may be eligible for payment under this scheme. Only one payment will be made in relation to any single dwelling.



Fife Council will be incorporating the £150 award in the Council Tax bill and will be contacting eligible households directly.



Finally, many utility companies offer hardship funds to help tenants who find themselves in difficulty with paying their bills so it may be worth contacting your supplier directly to ask what support may be available.