Warm Home Discount expanded to help 280,000 Scottish households with energy bills

- Over 280,000 low income and vulnerable households across Scotland to get extra help to pay their energy bills next winter
- Warm Home Discount to be expanded by £13 million and extended for 3 more years
- comes in addition to existing £22 billion package of support for UK households including £200 energy bill discount from October

The UK government is today (Monday, 9 May) launching a consultation on a proposed expansion of its Warm Home Discount scheme. Proposals are for support in Scotland to grow by around £13 million, to £49 million per year.

The uplift would mean rebates are provided to an additional 50,000 families in Scotland each year on top of the 230,000 that already receive payments and boost cash paid out to help meet energy costs from £140 to £150.

The consultation would also see the scheme extended to 2025 to 2026, providing much needed certainty to those most in need.

Proposals for supplier participation thresholds would also be lowered, enabling more energy suppliers to participate, particularly from 2023 to 2024 onwards, mirroring how the Warm Home Discount scheme operates in England and Wales.

The Warm Home Discount in Scotland will continue to focus support on those in receipt of means-tested benefits such as Universal Credit and Pension Credits, which ensures that rebates go to those on the lowest incomes.

Energy suppliers can use additional eligibility criteria, as long as the criteria identify households at risk of fuel poverty, subject to approval from Ofgem.

The Warm Home Discount supports low income and vulnerable households across Great Britain with the cost of living and is in addition to a £22 billion package of support, including a £200 energy bill discount from October.

UK government Business and Energy Minister Lord Callanan said:

We recognise the pressures that people living in Scotland are facing with the cost of living. That is why we are expanding the Warm Home Discount and increasing the amount households receive so those most in need are supported to heat their homes.

The discount is just one measure we are taking to help tackle

rising energy costs. Our energy price cap continues to protect households from volatile gas markets, and later this year families will get £200 off their energy bills, while we have already provided £290 million to fund Council Tax rebates in Scotland.

UK government Minister for Scotland Malcolm Offord said:

We are acutely aware of how many Scots are worried about the rising cost of living and, where we can help, we are doing just that.

Rebates of £150 through the Warm Home Discount will help to directly address the issue of fuel poverty for a quarter of a million Scottish households.

We are facing global challenges, but measures such as these, and our far-reaching £22 billion package of action in 2022 to 2023, will ensure that more people can keep more of their money in their pockets.

Households in Scotland are also benefiting from an additional £296 million of support for the cost of living, including help for high energy costs and a record block grant of £41 billion per year for the next 3 years announced at the Spending Review for the Scottish Government — the largest since devolution.

We are providing an average of £1,000 more per year back into the pockets of working families on Universal Credit and increasing the minimum wage by 6.6%, which will give a full-time worker on the National Living Wage more than £1,000 extra each year. The scheme will continue to support low-income pensioners and other low income and vulnerable households with their energy costs.

- the Warm Home Discount scheme is a key policy in the government's strategy to tackling fuel poverty and reducing the energy costs of low-income and vulnerable households
- read the details of <u>eligibility for the Warm Home Discount</u> on GOV.UK
- the scheme began in 2011 and since then has provided over £3 billion in direct support to households
- the <u>Warm Home Discount Scotland consultation</u> follows commitments made in the <u>Energy White Paper</u> to extend the scheme until 2025 to 2026 and expand it to support more households in fuel poverty
- the energy price cap has shielded millions of customers from price volatility in wholesale markets and ensured they pay a fair price for their energy. Despite the rising costs of wholesale energy which precipitated the failure of several energy suppliers, Ofgem have kept the cap at the level set in October 2021 over this winter