

BRIEFING NOTE

Ofgem Energy Price Cap Rise – Advice for Accommodation Providers

20/06/2022

Dear All,

The rise in the Energy Price Cap on 1 April by an average of £693 per annum has already begun to have an impact on students and accommodation providers alike. We are being contacted by students who are significantly exceeding their cap and this is having a seriously detrimental effect on their personal finances and well-being.

The next rise is due to take place in October and it is accepted there will be a similarly significant increase. We are not aware of any plans to increase maintenance loans that students receive in order to take into account this and other cost of living increases, so personal finances will be further eroded.

We trust this can be mitigated against through clear and simple guidance and hope you can play your part in this.

Depending on the terms of your tenancy agreements we would suggest considering the following:

- A message to your tenants advising of the rising costs and explaining the impact it may have on their finances. You can offer to amend their cap and allow them to contribute more through their tenancy, or to return the inclusive element and become responsible for their own bills - but this must be consensual
- Strongly recommend they take regular meter readings (at least monthly) to ensure they remain aware of their usage and the actual charges they are incurring
- Having smart meters fitted to allow occupants to monitor their usage daily
- Provide advice on the most efficient use of heating
<https://energysavingtrust.org.uk/hub/quick-tips-to-save-energy/>

In addition, as landlords you may well want to give consideration to reviewing any cap in any tenancy that has not yet been signed to ensure it is more reflective of the likely actual cost of utilities. We would think this particularly important if your tenancy agreement contains a reference that the cap is linked to 'fair usage'. We are also concerned that with either a low cap, or a cap that has become low due to the price rise, that many students are likely to reduce the times that their property is heated and this can have a knock-on effect in terms of condensation and mould growth.

In recognition of the impact the rise in energy bills will have on all households, the Government has announced mitigating measures.

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- The Council Tax Energy Rebate is a payment of £150 to a household living in a Band A to D property on 1 April 2022. Although students are exempt from Council Tax those living in a property wholly occupied by students and, we understand, where they have signed a joint tenancy agreement, may be able to claim the payment. Details of how to claim are not forthcoming as yet although will have to be made by September. If you have tenants you think may meet the criteria please advise them to look out for announcements and go to <https://www.liverpool.gov.uk/counciltaxenergyrebate> - it may ensure utility bills at your property are paid in a more timely fashion.
- The Energy Discount is a £400 payment off energy bills, starting in October over a period of 6 months, and paid direct by the energy supplier. The payment will be made direct to the person named on the energy supply account, apart from pre-payment meters where it will be applied to the meter or through a voucher. The energy discount has been created in order to mitigate the impact of energy price rises and it is therefore appropriate that it supports the person or persons most impacted. In cases where the utility bills are fully inclusive or the cap is based on actual usage (kWh's) then the tenant will not suffer detriment and the discount will not be passed on. However, where the cap is financial we trust this payment can be added to the cap.

We believe it is in all of our interests to make sure that students are in a position to ensure their homes are kept to a comfortable temperature throughout the year and if you have any tips or suggestions that have worked well in your properties please let us know and we can share with other accommodation providers.

If your tenants advise you they are experiencing financial difficulties they can access support through their university money advice teams

University of Liverpool - <https://www.liverpool.ac.uk/student-support/book-an-appointment/teams/money-advice-and-guidance/>

Liverpool John Moores University - <https://www.ljmu.ac.uk/discover/fees-and-funding/money-advice>

Liverpool Hope University - <https://www.hope.ac.uk/gateway/students/student-development-and-well-being/health-at-hope/financial-wellness/>

Liverpool Institute for Performing Arts - <https://lipa.ac.uk/applying/finance/student-finance-and-bursaries>

Thanking you for your continued support in this and other matters.

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Kind Regards

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