

## Energy Support – Park homes GUIDANCE

November 2022

### Background

In response to the unprecedented rise in energy prices, the government has introduced energy price support to shield households and businesses from spiralling prices.

This document is a simple guide and summary of how the support will apply to the park homes sector only.

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### Q. What support will apply to the park homes sector?

- The three types of support that will apply to the sector are the;
  - Energy Bills Support Scheme-Alternative Fund (EBSS-AF);
  - Alternative Fuel Payment (AFP); and
  - Energy Bills Relief Scheme (EBRS)

### Q. What about the Energy Bills Support Scheme (EBSS)?

- The EBSS only applies to those households with direct domestic electricity contracts with energy suppliers. Those households will automatically receive the £400 discount in six instalments between October 2022 and March 2023 to help households through winter.
- Households without a direct domestic contract will receive equivalent support through the EBSS Alternative Fund.

## 1. Energy Bills Support Scheme – Alternative Fund

### Q. What is the Energy Bills Support Scheme-Alternative Fund (EBSS-AF)?

- This scheme is intended to provide the £400 of support for households who do not have a domestic electricity contract such as park home residents .

### Q. How will park home residents receive this support?

- The £400 support will **not** be delivered to park home residents through park home site owners (park owners).
- It will be delivered by a designated body. An announcement on this will be made in due course.

### Q. When will residents receive the support?

- The full support will be provided this winter. An announcement will be made in due course.

## 2. Alternative Fuel Payment (AFP)

### **Q. What is the Alternative Fuel Payment (AFP)?**

- The Alternative Fuel Payment (AFP) will provide a one-off payment of £200 to UK households who are not on the mains gas grid and therefore use alternative fuels, such as heating oil, LPG, coal, and biomass to heat their homes.
- This £200 payment will ensure that all households who do not benefit through the Energy Price Guarantee to heat their homes, receive support for the cost of the fuel they do use.
- The £200 payment has been calculated to ensure that a typical customer using heating oil will be offered support broadly in line with that offered by the Energy Price Guarantee for those using mains gas to heat their homes.
- The government will continue to monitor the prices of alternative fuels, such as heating oil, and will consider further intervention if required to protect UK households from extraordinary fuel prices.

### **Q. How will park home residents receive this support?**

- Households including park home residents, eligible for these payments will receive £200 as a credit on their electricity bill this winter.
- Households who are eligible for but who do not receive the Alternative Fund Payment because they do not have a relationship with an electricity supplier, will receive the £200 through an Alternative Fund which will be provided by a designated body. Details of the AFP Alternative Fund will be confirmed shortly.

### **Q. When will park home residents receive the support?**

- Park home residents who are eligible will receive the payment this winter. More detail will be set out shortly.

## 3. Energy Bills Relief Scheme

### **Q. What is the Energy Bills Relief Scheme?**

- This scheme will provide a discount on energy bills for eligible non-domestic customers such as businesses, schools and charities. Where those businesses and organisations act as intermediaries and purchase electricity or gas on behalf of an end user, they will be required to pass on the discount to the end user.
- Park owners act as intermediaries and will be required to pass on any discounts received to their park home residents (end users).
- Discounts will be applied to energy usage initially between 1 October 2022 and 31 March 2023.

### **Q. How will park home residents receive this support?**

- Energy suppliers will apply reductions to an eligible park owner's bills between 1 October 2022 and 31 March 2023.
- The park owner will be required to pass on either all or some of any discount that they receive to their residents in a reasonable and proportionate way.

**Q. How will you ensure the reductions are passed on to park home residents?**

- The legislation requires park owners to pass on any benefit to park home residents where they act as intermediaries and procure energy on their behalf.
- If park owners do not act in accordance with the legislation, residents may be able to recover this discount through the civil courts.

**Q. Are there any exemptions for park owners from the requirement to pass on any discount?**

- There are no exemptions, and as an intermediary, a park owner will be required to pass on any discount in line with the regulations and guidance published on gov.uk.
- There may be situations where the park owner is already shielding the end user from the cost of energy [see below] or not actually receiving a discount themselves, such as if they are on an energy contract agreed before 1 December 2021 or have a low cost contract, in which case they have nothing to pass on.

**Q. How long will the scheme last for?**

- The scheme will last until the 31 March 2023. The Government will publish a review into the operation of the scheme in 3 months' time, to inform decisions on future support after March 2023.

**Q. What are the Pass-through Requirements on park owners?**

- Park owners who are intermediaries must pass on a just and reasonable proportion of the discount to residents. They can adjust the amount they pass on based on their charges to residents and must demonstrate to residents that this amount is just and reasonable.
- Park owners must pass on the discount irrespective of how the resident pays for their energy use. This includes if the park owner charges an "all inclusive" pitch fee.
- Park owners can take into account the extent to which they have increased their charges to end users as a result of the energy crisis. For example, if the park owner has shielded residents from the impact of increased energy prices it may be just and reasonable for the park owner to retain some or all of the scheme benefit.

**Q. Where park owners use electricity themselves to keep lights on, maintenance of the commons areas etc, will they benefit from any discount even though they hold a non-domestic account and are an intermediary?**

- Yes, park owners will benefit from a reduction in the cost of energy through the Energy Bills Relief Scheme. If the cost of this electricity is not passed on to the end user, and it is deemed just and reasonable, the park owner can retain this discount for themselves.

### **Q. Will Ofgem's maximum resale Price still apply?**

- Yes. Park owners must also comply with the maximum resale price (MRP) set by Ofgem. The MRP is the most anyone can charge for reselling gas or electricity which has already been bought from an authorised supplier.
- The current maximum resale price is set at the same price as paid by the person reselling (park owner), including any discounts such as the EBRS.

### **Q. How is the pass-through requirement calculated?**

- An illustrative example of how the pass-through requirements apply in hypothetical scenarios in relation to park home sites is below. Each individual case should be considered in line with the Pass-through Regulations. The figures provided below for the discount the park owner receives are provided as an example. The discount the park owner receives in real life will depend on the park owner's contract.

### **Illustrative application of 'just and reasonable' test**

#### **Example 1**

##### **Scenario**

A park home resident buys their electricity from a park owner, who has a commercial electricity supply contract. The park owner has five residents on their site who all pay equal costs for the same amount of energy.

The park owner passes 100% of the full amount of its energy cost onto its park home residents.

The park owner receives a £100 discount in November for its electricity bill from the electricity supplier.

##### **Result**

It is just and reasonable for 100% of the benefit that has been provided to the park owner to be passed on to the residents who will each receive a portion of the benefit.

Each resident will receive a £20 discount (£100 divided between five residents) as soon as is reasonably practicable and in respect of their November electricity bill.

#### **Example 2**

##### **Scenario**

A park home resident buys their electricity from a park owner, who has a commercial electricity supply contract. The park owner has five residents on their site who all pay equal costs for the same amount of energy.

The park owner passes 50% of the full amount of its energy cost onto its park home residents.

The park owner receives a £100 discount in November for its electricity bill from the electricity supplier.

##### **Result**

It is just and reasonable for 50% of the benefit that has been provided to the park owner to be passed on to residents who will each receive a portion of the benefit.

Each resident will receive a £10 discount (50% of £100 divided between five residents) as soon as is reasonably practicable and in respect of their November electricity bill.

**Q. When must the benefit be passed through to residents?**

- The benefit must be passed on by the park owner as soon as reasonably practicable. If the benefits have not been passed on when the scheme ends, the expectation is that they will still be passed on in accordance with the pass-through requirements.

**Q. How will the benefit be provided to residents?**

- The pass-through benefit must be provided to residents through the following methods:
  - application of a credit in the next invoice, statement of account or similar document provided by the relevant intermediary to the end user
  - a payment in cash or by any other means, including a bank transfer
  - tariff adjustment on tariff equipment
  - adjusting the amount of money taken from a direct debit or a standing order
  - set off against an amount or part of an amount which was owed by the resident to the park owner at the time at which the scheme benefit was provided to the park owner
  - or a combination of the methods set out above

**Q. What information must the park owner share with residents regarding the benefit?**

- It is the responsibility of the park owner to take reasonable steps to notify residents in writing that they have been provided support and how much they are intending to pass on. If the park owner will not be passing any benefit they have received to residents, they must still notify the residents.

**Q. What do you mean by reasonable steps?**

- These reasonable steps could include a letter, email, by text or instant message, in a newsletter or other type of message sent directly to the resident. This must be done using existing methods of communication with residents and in so far as possible, via the method of communication used customarily with residents.
- A general notice on a website would not normally be sufficient unless that is the primary method that the park owner and residents communicate.

**Q. When must the information be shared?**

- This information must be shared within 30 days of the park owner receiving the benefit or within 30 days of the regulations coming into force for the scheme benefits provided to relevant intermediaries before the Pass-through Regulations came into force.

**Q. What must the information set out?**

- The information must set out:
  - how much benefit has been provided to the park owner
  - how much will be passed through to the resident
  - if applicable, when and how this will be passed on
  - if applicable, any steps the park owner is taking to correct an error in previously passed-through scheme benefit
  - how residents can appeal to the park owner

- that if residents do not receive the scheme benefit they are entitled to recover it as a civil debt

#### **Q. What can residents do if the pass-through requirements are not met?**

- Residents should not need to take action to receive this benefit as the obligation is on the park owner to pass through the benefit and provide the information necessary to do so.
- If a resident believes that they should have been provided a benefit, did not receive enough benefit, or reasonable steps weren't taken to inform them of their eligibility to benefit, the resident would be advised to raise this with the park owner in the first instance.

#### **Q. How should a resident contact the park owner?**

- A template letter has been provided to assist residents in their communications with park owners. The template letter is only illustrative, and park owners should refer to their obligations as set out in the Regulations.
- The park owner is under an obligation to demonstrate that the pass-through is just and reasonable and therefore must provide justification for their calculation of the amount passed on.

#### **Q. What can a resident do if a park owner fails to meet any of their obligations?**

- If a park owner fails to appropriately pass on the payment or fails to provide necessary information to the resident, the resident may bring civil proceedings and may seek to recover sums due as a civil debt. There are no fines for park owners in such cases.
- Should a court rule in the resident's favour, they will be entitled to the payment, plus interest which is set at 2 per cent above the Bank of England's base rate and will begin to accrue from 60 days after the intermediary first receives the relevant scheme benefit. To find support on civil debt proceedings or further guidance visit: [Make a court claim for money](#).

#### **Useful links**

<https://www.gov.uk/government/publications/pass-through-requirements-for-energy-price-support-provided-to-intermediaries/guidance-on-the-pass-through-requirements-for-energy-price-support-in-great-britain-provided-to-intermediaries>

<https://www.gov.uk/government/publications/energy-prices-bill-how-households-and-businesses-will-be-supported/how-households-and-businesses-will-be-supported-by-the-energy-prices-bill>

<https://helpforhouseholds.campaign.gov.uk/help-with-your-bills/>

<https://bills.parliament.uk/bills/3341/publications>.