

Social Market Foundation, Citizens Advice and Public First

The future of energy price support policies after the price cap: Focus Groups 3 & 4

Background. We conducted two focus groups on 19 July. The first group was comprised of households on above average incomes who would consider voting Conservative. The second group was comprised lower income households who would consider voting Conservative. Participants in both groups lived in or close to the Wakefield parliamentary constituency.

Worries about energy bills were common across both groups. Higher and lower income participants reported growing concern about managing energy bills through the winter months. Two participants had fixed price deals that meant they were paying substantially less. But others were thinking more and more about energy costs and about the steps they could take to save money.

“For me personally, it's just a worry... Come winter when the colder months start it's going to start really affecting us, it's affecting us already.”

“We're trying to change from just baths because I haven't got a shower we're going to try to invest in a shower just so that it's going to be quicker. There's five people that live here and when you've got a bath going, I'm looking at it and it's 80 pence a bath. Now that's a lot of money if you're all having a bath a day. So by the winter, we're going to have to change the way that we're doing things to be able to just keep going.”

Confusion over the price cap. The higher income group largely thought the price cap had been removed recently and were confused as to why government had done that. Some lower income participants thought they had benefited from the cap, while others were not aware of it at all.

“I didn't even realise that there were a cap... until they've said that's what they were removing. I just don't get it. I don't understand why. it's crazy... they were obviously making profits as it were. But it's that and the fuel prices that's just made the cost of living more expensive. Because of those two things, everything else is so much more expensive. Life revolves around those two things, energy and petrol. Everything you eat, everything you see, everything you do revolve around those three things. So for them to put them up at the same time is just that's what's crippling everybody. And it just has a knock on effect to everybody. every business, every person.”

Limited awareness on energy support schemes. One lower-income participant was highly familiar with government schemes, but otherwise this group had little knowledge. They had heard that financial support was coming this year, but there was confusion as to who would receive it. Participants were in favour of the Warm Home Discount even when it was explained that this was funded by everyone's bill being slightly higher.

“I'm all for the genuine people that do need benefits and do need help in times like this.... I mean, I've been in a position where I know that that grant could have massively helped me. So now I'm not, I don't mind chipping in and helping the guys that do need it.”

Higher and lower income groups differed on universality of support vs targeting. The higher income group were firmly of the view that should be means tested, but with a high threshold - perhaps a household income of £60,000. They were worried that the squeezed middle would miss out - with two participants referring to the removal of child benefit [for those on incomes above £50,000].

"It's the people in the middle that have still got all the other bills that seem to get lost in it all."

"It's the middle banding that gets absolutely nothing because the threshold is so tight that the Warm Home Discount, it won't apply to them."

"Well, 40 grand a year in your house is two people on 20 grand isn't it. Yes. I suppose I suppose that's a decent income isn't it. But I still think you might need some help with your energy bills by the time you've paid all your tax and everything. I'm not sure. I think 60 sounds about right. So that's two people on a combination of 30 grand each."

The lower income group preferred universal provision of support. Only one participant spoke up strongly for a mean test. They wanted better off people who did not need the support to be able to gift it to other members of their family.

"Everybody gets it, if you choose not to use it, you could even pass that discount to somebody else."

"I just think if you was given this voucher or this card, you should then be able to decide yourself, whether you actually accept all that, or you could gift. Say if it was 150 pounds, you could give 50 pound to you, 50 pound to you, 50 pound to you. I just think that that, then it's your choice, what you do with that."

Neither group saw energy efficiency as a governmental responsibility. Both groups felt that landlords should be responsible for improving the insulation of houses they rented out and that homeowners had responsibility for the fabric of their own home. There was little support in the higher income group for government having a role except where homeowners found themselves on a very low income or where there was a safety concern. The lower income group could see a role for government upgrading homes if alternative was having to give away grants every year.

Both groups picked out single parents, pensioners, and people with disabilities as groups potentially needing support. But the higher income group still wanted to apply an income or means test to these groups. Only one participant on the lower income group argued for a means test for disabled people receiving support.

"If you were over the threshold, then I think it should be a similar sort of cut off point. Because as people have said, you can have pensioners who have way more money than they know what to do with."

Support should be delivered as a discount. Both groups had a strong preference for any support that was intended to help with energy bills to be delivered in the form of a discount rather than as a cash benefit payment (which participants worried would be spent on other items).

“If there was 150 quid that was been designated from the government to spend on energy then then there needs to be some way for it to be made sure to be spent on energy”.

The value of support needs to reflect household circumstances. Both groups argued that support should be related to household energy demand reflecting the fact people have different needs, for example due to number of children. The idea of a percentage reduction in bills for the eligible group was raised spontaneously by both groups. And both groups thought a 20% reduction was thought reasonable.

“I think it should vary on how many people live in your house... because the more people that live there, you'll use more energy.”

“I think probably the only fair way would be by the amount of people ... You could have, you know four people in a two bed flat or you could have one person in there for that house and they all need different amounts of support for different reasons. But I think the fair way of doing it will be, you know, the amount of people living there.”

The lower income group also raised the idea of a payment based on the number of people living in a house - including the idea of a per-person allowance - perhaps set at £100 per person per year.

“Maybe it should be per person per household. So you've all got a personal energy allowance... So if it's 100 pound a year, and you've got a family of five, you'd get 500 pound either discount or voucher against your electric and gas.”

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