



Department for
Energy Security
& Net Zero

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Dame Meg Hillier MP
Chair of the Public Accounts Committee
House of Commons
London
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22 February 2023

Dear Dame Meg,

**FOLLOW UP TO QUESTIONS RAISED AT THE PUBLIC ACCOUNTS COMMITTEE ON
THE 2021-2022 ANNUAL REPORT AND ACCOUNTS ON 5 DECEMBER 2022**

I am writing to update the Committee with additional information on the Energy Bill Relief Scheme (EBRS), following your specific concerns regarding both the hospitality sector and certain domestic customers who benefit from the non-domestic scheme.

The HM Treasury led EBRS Review, announced on 9 January 2023, considered a wide range of qualitative and quantitative evidence, including input from businesses, stakeholders and the approaches of other countries. BEIS developed a framework to assess which sectors may be most affected by rising energy prices based on energy and trade intensity.

The EBRS Review findings created the Energy Bill Discount Scheme (EBDS) which will run from April until March 2024 and continue to provide a discount to eligible businesses, charities and other non-domestic customers. This includes the hospitality sector, who will be eligible for the baseline level of support. The level of support that will be provided by the EBDS will be lower than that provided by EBRS. The new scheme strikes a balance between supporting businesses over the next 12 months and limiting taxpayer's exposure to volatile energy markets, with a cap set at £5.5 billion. A higher level of support will be provided to businesses in sectors identified as being the most energy and trade intensive, but this does not include the hospitality sector. The list can be found here:

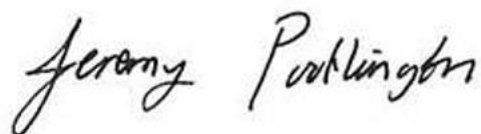
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1128033/230104_ETII_List_for_gov.uk.pdf.

The government is, however, providing a generous Business Rates package worth £13.6 billion over the next five years to support and protect businesses, including the hospitality sector, from large bill increases. The Business Rates package will particularly benefit the retail, hospitality and leisure (RHL) sectors, which are on average seeing decreases in final business rates bills and c.80% of RHL properties will see bills fall or stay the same. This is largely driven by falling Rateable Values for large RHL businesses and targeted relief for small RHL businesses.

There are also some domestic customers who currently receive energy bill support via the EBS, including those in park homes and heat networks. The government is developing options to ensure domestic consumers on a non-domestic meter continue to benefit from support in line with other domestic users after April.

We will publish further guidance on the EBS scheme by the end of March 2023.

Yours sincerely,

A handwritten signature in black ink, reading "Jeremy Pocklington". The signature is written in a cursive style with a large initial 'J' and 'P'.

Jeremy Pocklington