

PRESS RELEASE

Lower energy prices in July will not remove the burden of rising energy bills for struggling families

The Energy Price Cap is expected to fall from a peak of £4,279 in January 2023 to £2,074 on 1 July 2023

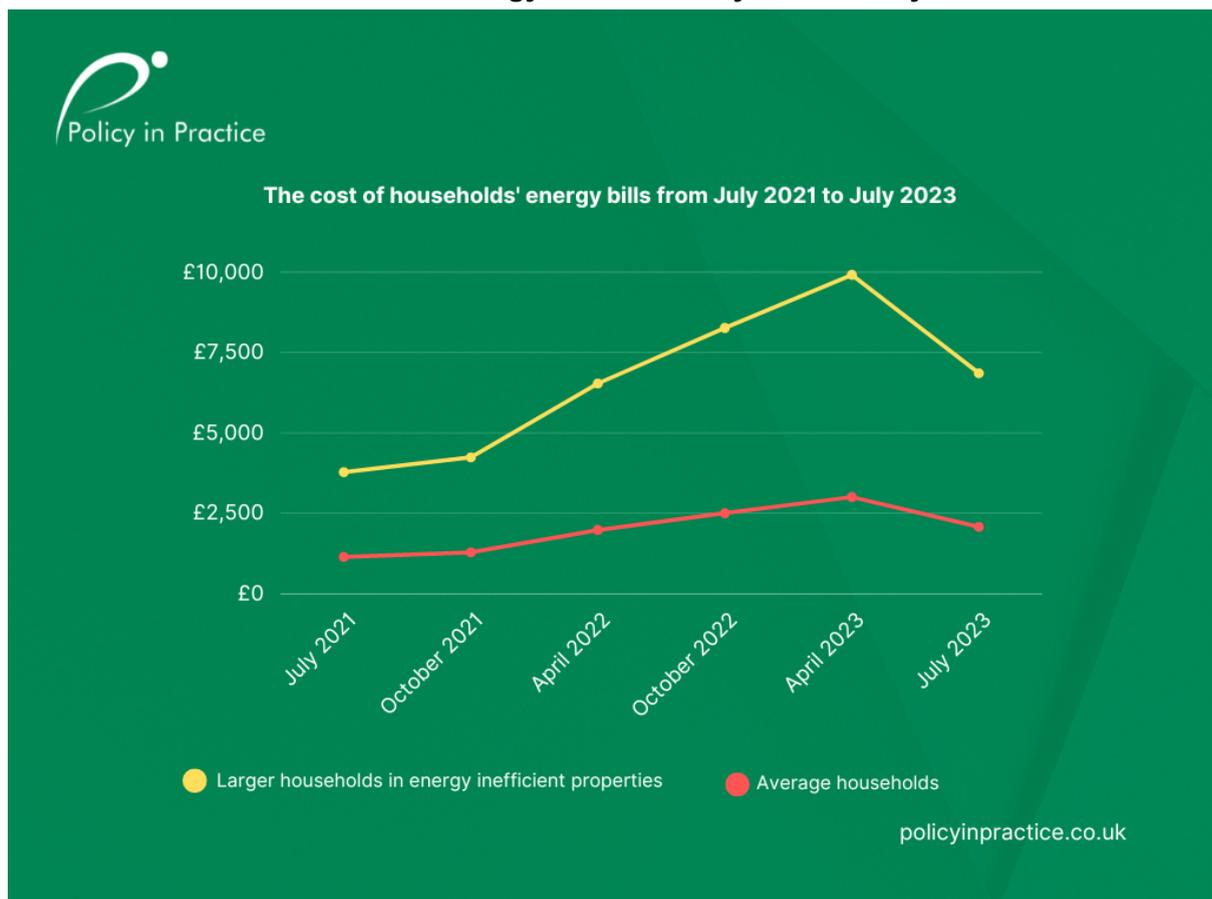
Headlines:

- Households will still face an 82% increase in their energy bills in July 2023 compared to July 2021. The average household will be paying nearly £1,000 more
- Larger families in older properties will face annual energy bills of £6,855, three times higher than Energy Price Cap value
- £466m in energy support goes unclaimed each year, energy support on its own is unable to plug holes in the core social security system

The fall in the Energy Price Cap should lead to a corresponding fall in energy bills, but the harsh reality is that most low income households will continue to struggle to pay their energy bills.

[Government data](#) on fuel poverty shows that energy bills have skyrocketed by 180% since the onset of the pandemic leaving many families burdened with exorbitant costs.

Chart: The cost of households' energy bills from July 2021 to July 2023



New analysis from Policy in Practice, a leading social policy and software analytics company, finds that:

- Misleading and unclear narrative around the reduction in the Energy Price Cap has many households believing they will see significant savings but the reality is that energy prices will remain high for the foreseeable future
- While the reduced cap value of £2,074 is an improvement, households still face an 82% increase from July 2021, paying £936 more in bills
- Larger families living in older properties will continue to experience significant increases in their energy prices, with their annual bills reaching a staggering £6,855. This is compared to £3,775 for the same family in 2021 (£3,080 more)

Deven Ghelani, Director and Founder of Policy in Practice, said:

“The fall in the Energy Price Cap does not alleviate the financial burden faced by households who are struggling to pay their energy bills, particularly for larger families in energy inefficient homes, and middle income families who do not qualify for government support but are struggling to pay their bills.

“Social tariffs on their own are unable to plug holes in the core social security system. Social security needs to be sufficient to cover core costs, including energy bills.”

Practical actions for government, business and consumers

Policies that invest in energy efficient homes and renewable energy sources as a sustainable approach to reducing energy costs. Our analysis finds that larger families living in older properties could save 27% on their bills if they lived in an energy efficient home.

Utility companies can better target support. By helping low income households to access unclaimed benefits alongside social tariffs, individuals and families are in a better position to better manage their energy bills and wider living cost pressures.

Policy in Practice’s [recent analysis](#) identified that £19 billion in Benefits and related support goes unclaimed each year. They estimate £466 million in energy vouchers and the Warm Home Discount goes unclaimed each year.

People who are struggling financially can use a reputable [benefits calculator](#) to see if they are entitled to additional support such as Universal Credit. It is important to encourage individuals to apply, even if they are only eligible for a small Universal Credit payment. A successful application can be a gateway to other support such as £150 off energy bills through the Warm Home Discount, cheaper broadband and the ‘Help to Save Scheme’.

ENDS

Notes to editors:

Media enquiries to:

Cristin Proctor Rooney, Marketing Manager, Policy in Practice

075 657 40001

cristin.proctorrooney@policyinpractice.co.uk

Deven Ghelani, Director and Founder, Policy in Practice

07863 560 677

deven.ghelani@policyinpractice.co.uk

[@Deven_Ghelani](#)

About Policy in Practice

Policy in Practice was founded by Deven Ghelani. He was part of the team who developed Universal Credit at the Centre for Social Justice and he has written and spoken extensively as an expert on welfare reform. Policy in Practice empowers people and organisations via integrated support. It uses its policy expertise to develop software that lets organisations identify households who are struggling and missing out on support. Its software helps people to access support and gives them the clarity and confidence to make decisions.

The Better Off Calculator is used by 2 million people each year putting over £700 million into people's pockets. Link: <http://bit.ly/3YHfGK0>. Where mentioning Policy in Practice directly please link to our [website](#) or [Better Off Calculator](#) on GOV.UK.

We encourage you if directing readers to a benefits calculator to direct them to GOV.UK where there are three government approved calculators to choose from. Link:

<https://www.gov.uk/benefits-calculators>

Notes for producers and researchers

- Deven Ghelani, Director and Founder of Policy in Practice, is available for interview
- Case studies of utility companies using data and software to help vulnerable customers are available
- In May 2023 Policy in Practice released their report, [Missing out: £19 billion of support goes unclaimed each year](#), finding that £19 billion in benefits are unclaimed annually. [bit.ly/19billion_unclaimed]