

## Living in cyprus and want to save some money on utility bills?

A new fuel subsidy scheme comes into place on 1<sup>st</sup> October 2006 for Service families in Cyprus. In Sep 05, a team from HQ Land Command visited Cyprus to look at how utilities are managed. Together with Maj (Ret'd) Fred Bowes, they have come up with a Fuel Subsidy Scheme aimed at helping you, the occupant, to afford your utility (gas and electricity) bills.

### Why A New Fuel Subsidy Scheme for Cyprus?

The aim of the scheme is to make sure that, as a Service Families Accommodation (SFA) occupant, you are not disadvantaged where utilities are concerned, just because you live in Cyprus. You should pay no more or less for your utilities than if you were living in the same type of SFA in UK, which, unlike the majority of housing in Cyprus, has double glazing, central heating and full insulation. This is not happening at present and the scheme seeks to address this issue. The scheme is scheduled to come into operation on 1 Oct 06.

### What are the basics of the new Fuel Subsidy Scheme?

Initially, and until such time as all SFA in Cyprus meet the UK standard, occupants will only pay what is called an 'X Factor'. This is the term for the UK Norm charge laid down by the Army Utilities Management Branch (AUMB) at HQ LAND who manages the scheme world-wide. The 'X Factor' is based on an average of prices for similar quarters in the UK and is published annually in September for implementation in October. If your utility bills at the end of the annual reconciliation point (30 September the following year) or at the end of your tour are less than the 'X Factor' payments you have made, you will be due a rebate. For the moment, any bills larger than the allowance will be met by the MOD (BFC).

For the scheme to work, the MOD (BFC) must pay all utility bills. Presently there are many SFA occupants who have to purchase bottled gas and logs as a means to heat and to be able to cook in their SFA. Those SFA will have their UK norm abated by a calculated amount to take into consideration what is currently spent on gas bottles and logs. For example if you were to pay the UK norm of £720 per year (£60 per month) but it was calculated that you spent £120 on logs and gas bottles, then your 'X' factor charge would be £600 per year (£50 per month).

If the amount spent on your utilities at the end of the year is only £500, you will receive a £100 rebate. If, however, the amount spent on your metered utilities is more than this amount, there will be no rebate and the MOD (BFC) will pick up the excess - **at the moment!**

### The 'Y' Factor

However, as and when new builds/Refurbishments are complete in Cyprus, an upper limit (the 'Y Factor') will be introduced. Beyond this upper limit, MOD (BFC) will not pay and you will be liable to pay the excess. The 'Y Factor' is a limit of how expensive your utilities should be for the type of house you occupy. It takes into account how large your family is, the condition of your house and additional things that are peculiar to Cyprus, such as the ceilings in your SFA being higher than in the UK to accommodate ceiling fans, making your SFA more expensive to heat in the winter. Because of all these varying

factors, the 'Y Factor' allowance will be exclusive to your family and personal to you. Remember, once the 'Y Factor' comes in (and you will be informed when it does) if you go over the upper limit - the 'Y Factor' - any excess utility costs incurred will be paid by you.

If you sign up for this scheme, you will be asked to sign a form which allows the authority to deduct the 'X Factor' on a monthly basis. The scheme is not obligatory, but it will most certainly be of more benefit to you than the present scheme. To be able to join the new scheme, all fuel and light bills raised on the present (old) system have to be paid. The budget scheme in operation at the moment which is open to Army personnel will cease to operate wef 1 Oct 06.

### **So what do you have to do?**

A 'self read meter card', will shortly be delivered direct to your SFA. You should read your meter; complete the 'self meter card', which will be collected from you the day after the self read meter card was delivered. If for any reason you will not be at home on the day collection is to take place, then leave the completed 'self read meter card' outside your front door under a stone. If you need assistance with reading your meter, help is available from ASA/BW. This 'self read meter card' will enable final bills to be raised, which must be paid before you can join the new scheme. The readings will also become the start meter reading for the new FSS IT accounting system.

In summary, once the full scheme is operational (both 'X' and 'Y factors' are being applied), if your utility bills are less than the 'X Factor', you will be due a rebate of the difference between what was deducted from your salary and your bills. Should you exceed your 'Y Factor' - the upper limit that takes into account your personal circumstances - you will be asked to pay the excess. But if you stay within your limits, between 'X' and 'Y', you will not be charge or receive a rebate.

AUMB/HQ ASU is planning to hold road-shows during the last week of July 2006: details will be published nearer the time on unit orders and by BFBS Radio and various questionnaire sheets will be posted through your letter boxes.

If you have any questions on the scheme, please direct them to Maj (Ret'd) Fred Bowes on Episkopi 2596 3811.

Please be aware that this scheme is not open to UKBCs.