



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

The Rt Hon Sir George Howarth MP
House of Commons
London
SW1A 0AA

20 May 2022

Dear Sir George,

Thank you for your email of 12 March to the Chancellor of the Exchequer enclosing correspondence from your constituents about their cost of living concerns. I am replying as the minister responsible for public spending. I am sorry to hear of the difficulties your constituents are facing.

The Government understands the pressures that people across the UK are facing with the cost of living. As a result, the Government is providing over £22 billion of targeted support this financial year to help struggling families meet these rising costs.

In particular, the Government recognises that many households will need support to help deal with the rising cost of energy and on 3 February announced a package of support worth £9.1 billion in 2022-23. The package of support includes:

- A £150 non-repayable cash rebate for 80 per cent of households to help with rising costs now, delivered as a payment to all households in Council Tax Bands A-D from April this year.
- A £200 reduction in households' energy bills delivered this autumn through the Energy Bills Support Scheme, spreading the cost equally over the next five years, giving households more time to adjust to higher energy prices.
- £144 million of discretionary funding for Local Authorities to support households who need support, but are not eligible for the council tax rebate.

The Government expects the vast majority of people who pay council tax by Direct Debit to receive this money from April. For households in bands A-D who do not pay by Direct Debit, or do not pay council tax - for example if they are eligible for Local Council Tax Support - their councils will be ready to process their claims from April.

Further detail on the council tax rebate and discretionary funding has been published by the Department for Levelling Up, Housing and Communities. Local Authorities will confirm exactly how the rebate and discretionary funding will be administered in each area.

Your constituents may also be interested in the further support measures announced to address the rising cost of living. To help vulnerable households with the costs of essentials such as food, clothing and utilities, the Government will be providing an additional £500 million for the Household Support Fund from April 2022.

This is in addition to the £500 million already provided since October 2021, bringing total funding to £1 billion. A third of this funding will be ring-fenced to support families with children, while another third will be dedicated to pensioners. This ensures the people who need it most will continue to receive vital support to meet essential household costs. In England, the fund will continue to be distributed to Local Authorities as they are best placed to direct help to those who need it most.

Your constituents also request that the Government raises benefits in line with forecast inflation levels. The Consumer Price Index (CPI) has been the default inflation measure for the Government's statutory annual review of benefits since 2011 and it is standard practice for the Government to uprate in line with September CPI, which was 3.1 per cent in 2021. September CPI is the latest available figure confirmed by the Office of National Statistics prior to the annual review and allows sufficient time for the legislative and complex delivery process to take place. The level of CPI at the point new benefit rates are introduced may be higher or lower than the September rate used for uprating but using a consistent period for uprating each year means that over time the index balances out.

Thank you for taking the trouble to write to me on such an important issue. I hope this response assures you that cost of living is a key priority for this Government. Please also pass on my thanks to your constituents for taking the trouble to make me aware of these concerns.

Yours ever,

A handwritten signature in black ink that reads "Simon Clarke". The signature is written in a cursive style with a long horizontal stroke underneath.

RT HON SIMON CLARKE MP