



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

Councillor David Rouane  
135 Eastern Avenue  
Milton Park  
Oxon  
OX14 4SB

19 August 2022

Dear Councillor Rouane,

Thank you for your letter of 20 July to the Chancellor of the Exchequer enclosing correspondence from South Oxfordshire Council, about how the cost of living is affecting its constituents. I am replying as the minister responsible for public spending.

The Government understands the pressures that people across the UK are currently facing with the cost of living. This is why the Government is providing £37 billion of support to households to help with these costs. Following the previous Chancellor's announcement in May, the most vulnerable households will get at least £1,200 of one-off support in total this year to help with the cost of living. The package of support includes:

- A £150 non-repayable cash rebate for around 80 per cent of households in England, delivered as a payment to all households in Council Tax bands A-D, as announced in February. The Government is also providing £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 is helping all domestic electricity customers with the impact of rising energy prices, with £400 off their bills from October through the expansion of the Energy Bills Support Scheme. This is a doubling of the £200 of support announced in February and customers will no longer need to make any repayments.
- A one-off payment of £650 directly to all households on means-tested benefits (including Universal Credit) through the Department for Work and Pensions' Emergency Payment Service. This will be paid in two instalments, the first from July and the second in Autumn. Payments from HM Revenue and Customs for those on Tax Credits will follow shortly after.

To help vulnerable households further with the costs of essentials such as food, clothing and utilities, the Government is providing an additional £500 million for the Household Support Fund from October 2022. This is in addition to the £1 billion already provided since October 2021, bringing total funding to £1.5 billion.

The Government has always been clear that the £20 per week increase to Universal Credit was a temporary measure. The Government has provided a generous package for those most in need, with one-off Cost of Living Payments (COLPs) to enable timely direct transfers to support households in managing increased costs.

These COLPs are designed to support those who are most in need this year, ahead of the next review of Government-provided benefits from April 2023.

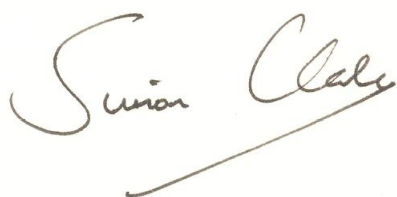
Next year, it is expected that, subject to the Secretary of State's review, benefits will be uprated by this September's Consumer Price Index – which, on current forecasts, is likely to be significantly higher than the forecast inflation rate for next year.

Additionally, the 2022-23 Local Government Finance settlement made available an additional £3.7 billion to councils, including funding for adult social care reform. This is the largest cash-terms increase in grant funding provided through the settlement in the past 10 years. Funding provided through the Local Government Finance Settlement can be used flexibly to meet the needs of local authorities and to meet a wide range of pressures, including from pay and inflation.

The Government is working closely with the sector to understand the impact of inflationary pressures on service delivery and budgets. The Government is always ready to talk to any council with concerns about their financial position where they cannot take steps to manage pressures locally.

Please thank your council members for taking the trouble to write to me on such an important issue. I hope this response assures you all that cost of living is a key priority for this Government.

Yours sincerely,

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

RT HON SIMON CLARKE MP