



GOVERNMENT SUPPORT FOR COST OF LIVING FACTSHEET:

Help with energy bills

The Government is providing a £15 billion energy bill rebate package, worth up to £550 each for around 28 million households. All domestic energy customers in Great Britain will receive a £400 grant to help with the cost of their energy bills through the Energy Bill Support Scheme. This money will not need to be paid back. Households liable for Council Tax in Bands A-D in England will also receive a £150 Council Tax Rebate to help with the rising cost of bills, which has already started to be paid. This support will apply directly for households in England, Scotland, and Wales. It is GB-wide and we will deliver equivalent support to people in Northern Ireland.

£650 Cost of Living payment for those on benefits

More than 8 million households on means tested benefits will receive £650. This includes all households who receive Universal Credit, Income-based Jobseekers Allowance, Income-related Employment and Support Allowance, Income Support, Working Tax Credit, Child Tax Credit, Pension Credit. Department of Work and Pensions will make the payment in two lump sums – the first from July, the second in the autumn. Payments from HMRC for those on Tax Credits only will follow shortly after each to ensure there are no duplicate payments. The Government will make these payments directly to households across the UK.

£300 Pensioner Cost of Living Payment

All pensioner households will receive an extra £300 to help them cover the rising cost of energy this winter. Pensioners are disproportionately impacted by higher energy costs, and many low-income pensioner households do not claim the means tested benefits they are entitled to. This payment will go to the over 8 million pensioner households who receive the Winter Fuel Payment. The Pensioner Cost of Living Payment will come as a top-up to annual Winter Fuel Payments in November/December. For most pensioner households, this will be paid by direct debit, is not taxable and does not affect eligibility for other benefits. The Government will make these payments directly to households across the UK.

£150 Disability Cost of Living Payment

People with disabilities will receive an extra £150 to help with the extra costs they face. Six million people who receive Disability Living Allowance, Personal Independence Payment, Attendance Allowance, Scottish Disability Benefits, Armed Forces Independence Payment, Constant Attendance Allowance and War Pension Mobility Supplement will receive the support as a one off payment in September. These payments will be exempt from tax, will not count towards the benefit cap, and will not have any impact on existing benefit awards. The Government will make these payments directly to households across the UK.

Household Support Fund

The Household Support Fund will provide £1 billion this financial year to help households who are not eligible for other kinds of help or need further support. The

Household Support Fund helps those in most need with the cost of essentials such as food, clothing and utilities and, in England, will continue to be distributed to Local Authorities, who are best placed to direct help to those who need it most. In May 2022, The Government announced a further £500 million of support via the scheme, which will now run until March 2023. This is on top of £1 billion of support made available since October 2021.

Raising National Insurance Contribution thresholds

National Insurance starting thresholds will rise to £12,570 from July 2022, meaning hard-working people across the UK will keep more of what they earn before they start paying tax. The cut, worth over £6 billion, will benefit 30 million working people with a typical employee saving over £330 a year and, means the UK now has some of the most generous tax thresholds in the world.

Reducing NICs for lower-earning self-employed people

From April, self-employed individuals will not pay Class 2 NICs on profits between the Small Profits Threshold and Lower Profits Limit, meaning lower-earning self-employed people can keep more of what they earn while continuing to build up National Insurance credits. This change represents a tax cut for around 500,000 self-employed people worth up to £165 per year.

Universal Credit (UC) taper rate

Last autumn we reduced the UC taper rate from 63% to 55% and increased work allowances by £500 per annum. This is effectively a tax cut for the lowest paid in society worth around £1.9 billion in 2022-23. This change also means that 1.7 million households will on average keep around an extra £1,000 on an annual basis.

Cutting fuel duty

On 23 March we introduced a 12-month cut in the main rates of fuel duty for petrol and diesel of 5 pence per litre. This is the largest cash terms cut that has ever been applied to all fuel duty rates at once and represents savings for consumers worth almost £2.4 billion over the next year. This comes on top of freezes to fuel duty for 12 years in a row.

Freezing alcohol duty

As announced at Autumn Budget 2021, we are freezing alcohol duty for 2022-23, for the third year in a row. Duty rates on beer, cider, wine and spirits will be frozen in 2022-23, saving £3 billion over the next 5 years. Consumers will save 3p off a pint of beer, 2p off a pint of cider, 14p off a 75cl bottle of wine and 52p off a 70cl bottle of Scotch.

Raising the National Living Wage (NLW)

On 1 April the NLW increased by 6.6% to £9.50 per hour for workers aged 23 and over, which will benefit more than 2 million workers. This means an increase of over £1,000 to the annual earnings of a full-time worker on the NLW.

Helping people into jobs

The 'Way to Work' campaign aims to get 500,000 jobseekers into jobs by the end of June 2022. A new In Work Progression offer will also mean more low paid workers

on UC will be able to access personalised work coach support to help them increase their earnings.

Investing in skills

We are increasing skills funding by £3.8 billion over the Parliament, as announced at Spending Review 2021. Better skills help people improve their earnings prospects and support their success in the labour market.

The Warm Homes Discount

2.2 million low-income households receive a £140 rebate on their energy bills. From 2022, proposed changes will see the scheme be worth £475 million a year with nearly 3 million households receiving a £150 rebate.

Winter Fuel Payments

Providing payments of £200 for households with someone of State Pension Age, or £300 for Households with someone aged 80 or over, a significant £2 billion per year contribution to winter fuel bills.

Cold Weather Payments

£25 extra a week for poorer households when the temperature is zero or below.

Expanding the scope of VAT relief for energy saving materials

Ensuring that households installing energy saving materials such as thermal insulation or solar panels pay 0% VAT for the next five years, helping to improve energy efficiency and keep heating bills down.

Funding energy efficiency in homes and buildings

The Heat and Buildings Strategy, published in October, detailed the £3.9 billion committed over the Spending Review period to decarbonise and improve the energy efficiency of our building stock.

This included £1.8 billion targeted at low-income households to decarbonise their homes and reduce their bills through the Home Upgrade Grant and the Social Housing Decarbonisation Fund. This builds on more than £1.2 billion we have already invested this Parliament to support low-income households to install energy efficiency measures. Combined, this funding will improve up to 500,000 homes, saving households hundreds of pounds per year on their energy bills.

We are also taking wider action to grow the clean heat market by accelerating uptake by early adopters. This includes the £450 million Boiler Upgrade Scheme which provides £5,000 grants to support households to switch early to low-carbon heat. We are also investing £338m through the Heat Network Transformation Fund.

Separately, the Energy Company Obligation places an obligation on larger energy suppliers to provide energy efficiency and heating measures for fuel poor households across Great Britain. We are expanding this to £1 billion per year from 2022-2026, helping 133,000 low-income households annually to improve their energy efficiency.

Welfare spending

In total, the UK Government is expected to provide £243 billion of support in 22-23 through the welfare system, including £40 billion through Universal Credit and £111 billion through the State Pension. Within the welfare system, the Government is maintaining the increase to Local Housing Allowance rates for private renters on UC and Housing Benefit in cash terms in 2021- 22 and then in 2022-23. This increase was worth over an extra £600 on average in 2020-21 for more than 1.5 million households.

Help with childcare

Since 2010 the Government has doubled free childcare for eligible working parents of 3-4 year olds, from 15 to 30 hours per week, worth around £5,000 per child per year. We have also introduced tax-free childcare, providing working parents up to £2,000 of childcare support a year (£4,000 for disabled children).