



Department for
Business, Energy
& Industrial Strategy

Councillor Emily Smith
Leader
Vale of White Horse District Council
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The Rt Hon Greg Hands MP
Minister of State for Energy, Clean Growth
and Climate Change

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Dear Councillor Smith,

Thank you for your letter dated 20 July to the Rt Hon Kwasi Kwarteng MP, about the cost of living. I am replying as this matter falls within my portfolio. Thank you for taking the time to write, I read your suggestions with interest.

As I hope you will appreciate, discussions about the cost-of-living span a number of different economic sectors, some of which are the remit of other Government Departments. My reply will centre solely on matters which fall under this Department. I recognise the difficult position that many households are in with the impact of rising energy prices. This is due to increases in wholesale gas prices worldwide. However, please be reassured that there are a number of measures in place to support consumers through this winter and beyond.

Protecting consumers, and especially vulnerable consumers, is a priority for the Government. Energy suppliers are obligated to provide appropriate support for those struggling to pay their bills by setting up an appropriate repayment plan based on the customer's ability to pay, and by directing the customer to further support services.

To help people with the costs of energy, the Government announced a package of support measures:

- A £400 rebate for households delivered via their energy bill this autumn. This is paid as a grant and does not need to be paid back. This will apply directly to households in England, Scotland and Wales with equivalent support paid to people in Northern Ireland.
- This is in addition to the previously announced £150 reduction in Council Tax bills for all households in Bands A-D in England, which does not need to be re-paid.
- £144 million of discretionary funding for Local Authorities to support households who need support, but are not eligible for the Council Tax reduction.
- A £650 Cost of Living Payment, to be made in two installments, for those on certain means tested benefits.
- Pensioner households that receive winter Fuel Payments will receive an extra £300 this year to help them cover the rising cost of energy this winter.
- Those across the UK who receive certain disability benefits will receive a one-off payment of £150 in September.
- An extra £500 million of local support, via the Household Support Fund, which will be extended from this October to March 2023.

There is also the Warm Home Discount to support the most vulnerable and low-income households. In addition, Winter Fuel Payments and Cold Weather Payments are available to those in receipt of qualifying benefits.

Fuel prices are an important component of UK households' expenditure, and I am very sympathetic to the impact of road fuel costs on UK consumers. Petrol and diesel prices are mainly driven by the price of crude oil (priced in US\$) and exchange rates, but are also influenced by a range of factors, which can create small price differences in the short term. This includes balance of demand and refinery capacity, levels of oil stocks, changes to the costs of biofuels and distribution, and retail margins. BEIS publishes weekly national average pump prices which can be found here: www.gov.uk/government/statistics/weekly-road-fuel-prices.

The Government is continually monitoring and assessing the impact of price increases on consumers and coordinating work across regulated sectors to support households impacted.

Thank you once again for writing.

Yours ever

A handwritten signature in blue ink, appearing to read 'GH', followed by a long horizontal flourish.

THE RT HON GREG HANDS MP
Minister of State for Energy, Clean Growth and Climate Change