



Department for
Business, Energy
& Industrial Strategy

Lord Callanan
Minister for Business, Energy and
Corporate Responsibility

**Department for Business,
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Harry Catherall
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Our ref: MCB2022/22757
Your ref: food and warmth motion - 07/09/22

17 October 2022

Dear Mr Catherall,

Thank you for your letter dated 9 September, to the Secretary of State, Rt Hon Jacob Rees-Mogg MP, regarding action to address high energy bills, support for general cost of living pressures, and the Oldham Mine Water Heat Network. The Secretary of State has asked me to respond.

As part of the outcomes of your 7 September meeting, I note you have written separately to the Secretary of State at the Department of Education (DfE) regarding considerations on free school meals. This will be a matter for DfE to respond to. With respect to concerns on energy bills, the Government understands the scale of the challenge households and businesses face and since you wrote, it has taken decisive action to support energy users.

On 8 September, the Government announced that it would introduce the 'Energy Price Guarantee' (EPG). The EPG will ensure that a typical household in Great Britain pays an average £2,500 a year on their energy bill, for the next 2 years, from 1 October 2022 that will save the average household at least £1,000 a year based on current energy prices from October. The EPG comes in addition to the £1,200 of support for the eight million most vulnerable households to help with the cost of living, with all domestic electricity customers receiving at least £400 through the Energy Bills Support Scheme.

On Universal Credit, the Department for Work and Pensions advises that the Government has always been clear that the £20 increase was a temporary measure to support households affected by the economic shock of Covid-19. As a result, Universal Credit Claimant Assessment Periods that ended on or after 6 October 2021 have not included the additional £20 per week. Further, the Government has already given nearly 1.7 million families an extra £1,000 a year, on average, through changes to the Universal Credit taper and work allowances. It has also raised the National Insurance threshold to £12,570 from 6 July 2022, which is a saving of over £330 for a typical employee.

Finally on Oldham Council's second resolution, the Department has been providing support to Oldham Council to develop the Oldham Town Centre minewater project through funding and guidance from the Heat Network Delivery Unit (HNDU) team. We have provided this support through funding for Techno-Economic Feasibility stage works (£61,300, January 2020), and more recently for Detailed Project Development (DPD), external project management and stakeholder engagement (£160,600, March 2022). The DPD stage will deliver an Outline Business Case for the proposed Oldham minewater heat network, including outputs that will support an application to the Green Heat Network Fund. We have recently supported Oldham Council officers in developing specifications for procurement of external consultants and will continue to provide guidance throughout the project DPD delivery.

Thank you for writing. I trust this information will be useful.

A handwritten signature in blue ink, appearing to read "Martin Callan". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Lord Callanan