



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

Harry Catherall
Chief Executive
Oldham MBC
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Your ref: Cost-of-Living-COE
4 January 2023

Dear Mr Catherall,

Thank you for your letter of 8 September to the former Chancellor of the Exchequer enclosing correspondence on behalf of Oldham Council about the Energy Bills Support Scheme. I am replying as the Minister responsible for this policy area. I am extremely sorry for the very late nature of this response. Unfortunately, as you will of course be aware, over the time period since this letter arrived, we saw significant change in policy and personnel that particularly affected this department. I hope this explains why a significant backlog of letters has accumulated that we are now working through, given the greater policy certainty and stability that now pertains.

The Government understands that people are worried about the cost of living. That is why decisive action has been taken to support households across the UK through the cost of living challenges ahead, whilst remaining fiscally responsible.

The Chancellor has announced further support for next year designed to target the most vulnerable households. This cost of living support is worth £26 billion in 2023-24, in addition to benefits uprating, which is worth £11 billion to working age households and people with disabilities.

This action taken by the Government means that over 8 million of the most vulnerable households across the UK will continue to be supported through next winter via additional Cost of Living Payments. And the Government is continuing to provide support to all households through the Energy Price Guarantee (EPG), which will save the average UK household £500 in 2023-24.

This support for 2023-24 is in addition to the generous support already in place to support households this winter. In addition to the EPG, worth £900 this winter for the typical household (according to the independent OBR), the Government has announced £37 billion of support for the cost of living in 2022-23. As part of this financial year's cost of living support millions of the most vulnerable households will receive £1,200 of support this year through the £400 Energy Bills Support Scheme, £150 Council Tax

rebate and one-off £650 Cost of Living Payment for those on means-tested benefits, with additional support for pensioners and those claiming disability benefits.

For households that are not eligible for one-off Cost of Living Payments or for families that need additional support, the Government has provided £1.5 billion total funding for the Household Support Fund and extended the fund's end date from October 2022 to March 2023.

We are continuing to keep the situation under review and focus support on the most vulnerable whilst ensuring we act in a fiscally responsible way.

More information on what the Government is doing to help consumers can be found online here: www.gov.uk/cost-of-living.

The Government also supports low-income and fuel poor households with their energy bills through the Warm Home Discount which provides eligible households with a £140 rebate on their winter energy bills. The Government will provide an extra £500 million for local authorities through the Household Support Fund to provide help to millions in need in challenging times. This is in addition to the £1bn already provided since October 2021.

Cold Weather Payments help vulnerable people in receipt of certain income-related benefits to meet the additional costs of heating during periods of unseasonably severe cold weather. This includes older people in receipt of Pension Credit, and those in receipt of an income-based benefit with a disability component or where there is a child aged under five in the household. Eligible households automatically receive £25 when the average temperature in their postcode district is recorded as, or forecast to be, zero degrees centigrade (0°C) or below for seven consecutive days during the Cold Weather Payments season.

Please be reassured that the Government has committed to keeping the Winter Fuel Payment. This gives reassurance, particularly to poorer pensioners that they can keep warm during the winter months. We will continue to pay £200 for households with a member who has reached State Pension age and is under age 80 or £300 for households with somebody aged 80 and over. It is estimated we will pay around 11 million pensioners a Winter Fuel Payment this coming winter, at a cost to the taxpayer of £2 billion. A significant contribution to winter fuel bills.

In addition, a one-off payment of £300 will go to households across the UK that receive the Winter Fuel Payment and will be paid on top of any other one-off support a pensioner household is entitled to. This will be paid as a top-up to annual Winter Fuel Payments in November/December.

In addition to these schemes, elderly customers have added supply protection in the colder months. Ofgem rules require energy suppliers not to disconnect domestic premises in the winter if the customer is of pensionable age. Additionally, suppliers must take all reasonable steps to avoid disconnecting any premises if the occupants include a person who is of pensionable age.

It is important that elderly people initiate contact with their energy supplier if they are struggling to pay their energy bills. Customers may ask for pay breaks or reductions, more time to pay or get access to a hardship fund. If a customer cannot agree a way to pay with their supplier, they can seek help by calling the Citizens Advice Consumer Helpline on 0808 223 1133.

Thank you for taking the trouble to write to HM Treasury on such important issues.

Yours sincerely,

A handwritten signature in black ink, consisting of several overlapping loops and a long, sweeping tail that extends downwards and to the left.

James Cartlidge MP
EXCHEQUER SECRETARY TO THE TREASURY

