

FACTSHEET: GOVERNMENT SUPPORT FOR COST OF LIVING

The Government understands that people are concerned about pressure on household budgets and is taking action to help.

Alongside the £9.1 billion Energy Bills Rebate announced on 3 February, it is providing £12 billion of support over this financial year and next to ease cost of living pressures, with help targeted at working families, low-income households and the most vulnerable.

Full list of measures to support the cost of living:

At the Autumn Budget:

- The National Living Wage will increase to £9.50 an hour this April, providing an extra £1,000 pay for a full-time worker – this has risen every year since it was introduced in 2016.
- The cuts to the Universal Credit taper rate and uplift to work allowance will put an extra £1,000 extra a year into the pockets of two million low-income families.
- Fuel duty has been frozen for the twelfth year in a row, meaning the average driver has saved £1,900 since 2010.
- All alcohol duties have been frozen for a third year in a row, providing a tax cut worth £500m for families every year.

On top of job support schemes during the pandemic:

- The £500m Household Support Fund supports millions of households in England with essentials over the coming months.
- The Holiday Activities and Food programme, worth up to £220m, provides enriching activities and healthy meals to children across the country over Easter, the summer and Christmas holidays.
- Four million families are getting help with their council tax bills.
- Councils have been given an extra £65m to support low-income households with rent debts.
- Increased generosity of the Local Housing Allowance for housing benefit, with more than 1.5m households benefiting from an additional £600 a year
- The £140 million Discretionary Housing Payments is supporting families with rent or housing costs.
- Over 1 million NHS workers are receiving a 3 per cent pay rise.

Measures to support people with their energy bills:

- The Energy Bills Rebate will give the majority of households £350 of support with rising energy bills, including a £200 discount on energy bills this Autumn and a £150 non-repayable reduction in Council Tax bills for all households in Bands A-D in England. There will be £144 million of discretionary funding for Local Authorities to support households who need support but are not eligible for the Council Tax reduction.
- The Energy Price Cap is saving 15 million households £100 a year on average since 2019.
- Warm Home Discount provides a £140 rebate on energy bills each winter to over 2.2 million low-income households.
- Winter Fuel Payments to over 11.4 million pensioners at a cost of £2bn annually, with £200 awarded to households with somebody who has reached State Pension age and is under age 80 or £300 for households with somebody aged 80 and over.
- Cold Weather Payment providing £25 extra a week for poorer households when the temperature is consistently below zero.

- The Energy Company Obligation has already installed 3.3 million measures in 2.3 million homes and we are increasing the amount energy suppliers invest in energy efficiency measures for low-income households, extending ECO until 2026, and, from April 2022, boosting its value from £640 million to £1 billion a year. This will help an extra 305,000 families with green measures such as insulation, with average energy bill savings of around £300 a year.

Additional measures in place:

- Doubled free childcare, providing working parents with up to 30 hours, worth up to £5,000 per child every year. The Government has also introduced tax-free childcare, providing working parents with up to £2,000 of childcare support a year. Under Universal Credit, parents can claim back up to 85% of eligible childcare costs, compared to 70% under the old system.
- The Social Housing Decarbonisation Fund and Sustainable Warmth programme is estimated to save households an average of £350-450 per year, and future minimum energy efficiency standards in the private rented sector will require landlords to improve their properties' energy performance, driving bills down.
- Increased the value of Healthy Start vouchers by over a third to help those in need with young children, supporting them to buy fresh fruit and vegetables to boost the long-term health of their children.
- Put a further £24 million into the National Breakfast Club programme, with the aim of providing healthy breakfasts in up to 2500 schools in disadvantaged areas.
- Established the Money and Pensions Service in 2019, who provide free pensions and money guidance, as well as debt advice in England.
- Introduced the 26-30 railcard, the Veteran's Railcard, and the 16-17 rail Saver enabling more people to benefit from discounts on rail travel.
- Investing a further £11.5bn in the Affordable Homes Programme from 2021-26, which will deliver up to 180,000 affordable homes built from 2021 onwards.
- Pension Credit provides extra money to help with living costs for those over State Pension age and on a low income. Claiming it also opens up further support like Housing Benefit and Council Tax reduction schemes.