

Extension to the Household Support Fund

I have received the below letter from the Government Minister for Welfare delivery regarding the Household Support Fund which I would like to share:

Dear Colleague,

EXTENSION TO THE HOUSEHOLD SUPPORT FUND

Our new Way to Work campaign aims to get half a million people who are out of work into jobs in the next four months. It will support employers who need to fill their vacancies, whilst also helping claimants by improving their financial situation. Alongside this initiative, we have announced around £400 billion since the start of the pandemic protecting jobs and incomes.

The economy is in recovery, with a record number of people on the payroll, but we recognise the inflationary challenges and that people are concerned about pressure on household budgets. That is why we are extending the Household Support Fund to provide cost of living support for households most in need, shifting the focus of the fund to include more of those people who cannot work. From April, the government is providing an additional £500 million to help households with the cost of essentials. This brings the total funding for this support to £1 billion. In England, £421 million will be provided to extend the existing Household Support Fund from 1 April to 30 September inclusive. The devolved administrations will receive £79 million through the Barnett formula. In England, the allocation for Councils is the same as for the previous 6 months.

In England, the fund will be distributed via upper-tier Local Authorities. This support will continue to help those who are struggling to afford energy and water bills, food, and other essentials, to prevent the escalation of problems. We know energy bills may be of particular concern to low income households and so Local Authorities are being encouraged to focus on supporting households with the cost of energy.

At least a third of the extension funding (£140m) will be spent on pensioners on low incomes and at least another third (£140m) will be spent on families with children.

This will ensure that the most vulnerable, including those unable to work to boost their income, will continue to receive vital support to help with the costs of household essentials throughout the next six months.

This extension is just one way that we are helping families with the rising cost of living and other global inflationary pressures. The government has recently announced a three-part plan of support to help households with rising energy bills, worth £9.1 billion in 2022-23. This includes a £200 discount on energy bills this Autumn for all domestic electricity customers

in Great Britain, to be paid back automatically over the next 5 years. This also includes a £150 non-repayable rebate in Council Tax bills for all households in bands A-D in England, as well as a £144 million discretionary fund for Local Authorities to support households who are in need regardless of their council tax band.

We continue our focus on getting people into work. The National Living Wage will increase to £9.50 an hour this April, providing an extra £1000 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 the uplift to the work allowances will also put, on average, an extra £1,000 a year into the pockets of 1.7 million low-income families.

These initiatives, alongside the Household Support Fund extension, will work to help those most in need over the coming months. For MPs in English constituencies, please direct constituents in need of support to their local authority who will be able to help them access the Household Support Fund. Your Council will be required to produce a plan taking into account the new conditions and guidance. I encourage you to give your thoughts directly to your council leader on how you think their scheme could be improved. For MPs in Scotland, Wales and Northern Ireland, I would encourage you to speak to the Devolved Administrations about their plans to use their allocations.

Kind regards,

David Rutley MP
Minister for Welfare Delivery