

## Cost of Living announcement 26 May 2022

In response to the mounting pressures to enhance the package of support provided by the UK government during the current cost of living crisis Rishi Sunak announced [additional measures](#) on 26 May 2022. These new measures announce a £15 billion package of targeted government support to help households with the rising cost of living.

The UK Government said this means that almost eight million of the most vulnerable households across the UK will receive support of at least £1,200 this year. The measures are as follows;

- A one off £650 cost of living payment which will be paid to low income households on Universal credit, Tax Credits, Pension Credits and legacy benefits. The DWP will make this payment automatically to those eligible and in two lump sum payments.
- A separate £300 payment to pensioner households which will double the support to eligible households who are probably already in receipt of Winter Fuel Payment.
- £150 to individuals receiving disability benefits.
- Energy bill discount doubled from £200 to £400 and the requirement to repay it over five years has been scrapped.
- £150 council tax rebate for band A-D which was received by many families last month
- £500 million increase for the Household Support Fund. However, this applies to England only. However, Wales will receive around £25million of funding via the Barnett formula.

The measures will be funded in part by a new temporary 25% Energy Profits levy on oil and gas firms which will raise around £5 billion over twelve months. This sits alongside an Investment Allowance which incentivises companies to invest through saving them 91p for every £1 they invest which doubles the tax relief available for companies.

In addition, benefits will be updated in line with September's inflation rate (likely to be at least 9%). Previously, the UK government declined to update benefits in April 2022 in line with last September's inflation rate.

We welcome this package as an important and significant step in providing much needed support to those most at risk to the ongoing crisis.

We will continue to analyse the announcements and impact on members and tenants. YouGov reported on the 23rd May 2022 that 22% of Britons admit to struggling financially with over 60% believing that their financial situation will get worse over the next year. Throughout this crisis, the



housing sector continues to provide exceptional financial resilience and support services to tenants in Wales.

For more information on this government announcement or to learn more about how CHC is coordinating a response to the cost of living crisis please contact: [Paul-thompson@chcymru.org.uk](mailto:Paul-thompson@chcymru.org.uk)