



May 2022

Dear Constituent,

Thank you for contacting me about the pressure on prices we are all seeing.

I understand and share your anxiety over rising prices and inflation, and I want to assure you that the Government will continue to listen and to ensure that the policies are in place to help those who need it most. Indeed, currently announced Government support for families will be worth over £22 billion in 2022-23.

A rise in the National Living Wage will mean an extra £1,000 in the pockets of millions of people. The Government has also cut the Universal Credit taper rate and increased work allowances - which represent an effective tax cut for low income working households in receipt of UC, worth £2.2 billion in 2022-23.

Furthermore, I welcome that the National Insurance personal threshold will rise further from £9,500 to £12,570 from July 2022. This will bring it in line with the equivalent Income Tax personal allowance and represents the largest increase in a personal tax threshold in British history, equivalent to a £6 billion tax cut for nearly 30 million workers and worth over £330 a year starting in July, across the entire UK. This represents the largest single personal tax cut in a decade.

I share the concerns about the impact of Russia's invasion of Ukraine on the global economy and global prices. The Government is obviously closely monitoring this issue. Inevitably, there will also be an economic cost in Britain as a result of the tough sanctions package levied against Russia. This has been particularly acute when it comes to the price of wholesale gas.

Global gas prices are high due to various factors, including an increase in demand following the end of lockdowns in various countries and in return economies reopening, a cold winter in the UK, high demand in Asia for liquified natural gas (LNG) transported globally by freight which has meant that far less LNG has reached Europe, and weather events in the US limiting supply to Europe. With reduced variety of supply globally and much higher than anticipated demand, high wholesale gas prices have subsequently driven an increase in wholesale power prices, with a number of short-term markets trading at, or near, record levels.

The Government continues to work with business to ensure that we have access to safe, nutritious and affordable food from a wide range of sources, particularly from British farmers. Ministers commissioned an independent review into the food system. Part One of that review was published in July 2020 and it made recommendations to support this country through the turbulence caused by the COVID-19 pandemic. Part Two of the independent review was published in July 2021 and sets out proposals for measures to combat obesity and improve overall health of children and adults, as well as proposals for specific initiatives to educate children about nutrition at school. My ministerial colleagues will now carefully consider the report's conclusions and respond with a White Paper in due course, setting out priorities for the food system.

I also understand the increasing burden that many commuters face, which is why I welcome the decision announced at the Spring Statement to cut fuel duty by 5 pence for a full year across all fuel duty rates. Obviously, everyone would expect this decrease to be completely passed onto consumers.



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As we did in the pandemic, the Government is clear that protecting consumers, particularly vulnerable consumers or those on low incomes, is its main priority. As such, the Government has reassured consumers that it is committed to the energy price cap and it will remain in place, protecting around 15 million customers up to £100 a year.

The Chancellor of the Exchequer has also taken a number of actions to try to help households with energy bills. Firstly all households in England, Scotland and Wales with electricity meters will receive a £200 rebate on electricity costs from their supplier in October 2022. This will be clearly identifiable as a line on electricity bills and repaid over five years at a flat rate of £40 per year, with no interest, starting in April 2023. Ofgem will increase the price cap to reflect the additional cost to be recovered from consumers in future years, and energy companies will reimburse the government.

Second, there will be a non-repayable £150 cash rebate for homes in Council Tax bands A-D. The government will fund local authorities to give all households in England in Council Tax bands A-D a one-off council tax rebate of £150 in 2022-23. It is expected that many people who pay by Direct Debit will receive the money in April. For people who do not pay by Direct Debit, their councils will be ready to process their claims in April. 80% of all households in England will benefit from the rebate and discretionary funding. Although Council Tax is England-only, devolved governments will receive £565 million in Barnett: £290 million for Scotland; £175 million for Wales; £100 million for the Northern Ireland Executive.

Thirdly, £144 million of discretionary funding is being made available for local authorities to support households not eligible for the council tax rebate. We will also provide £144 million of discretionary funding for local authorities to support households not eligible – including properties in bands A-D that are exempt from council tax, and households on lower incomes in higher bands.

Other help comes with the increase in the Warm Homes Discount to £150 while extending eligibility by a third to reach 3 million vulnerable households.

I am quite sure further measures will be taken as we move forward, but I just wanted to assure you that we have acted in many ways already and will continue to where we can in the weeks and months ahead.

Thank you again for taking the time to contact me.

Yours faithfully,

CHRIS HEATON-HARRIS MP
MEMBER OF PARLIAMENT FOR DAVENTRY