

HELEN WHATELY MP Member of Parliament for Faversham and Mid Kent

HOUSE OF COMMONS LONDON SW1A 0AA

John Glen MP
Chief Secretary to the Treasury
HM Treasury
The Correspondence & Enquiry unit
1 Horse Guards Road
London, SW1A 2HQ

Reference No. HW51925

2 May 2023

Dear John

Re: Cost of living support

I'm writing to you about a recent cost of living roundtable I hosted in Sittingbourne.

Jointly hosted with neighbouring Kent MPs Gordon Henderson and Helen Grant, the roundtable brought together charities and public bodies from across Swale and Maidstone. We discussed how current inflationary pressures are impacting people locally, the extensive support provided by government to date, and where if anywhere that support wasn't keeping up.

In general, the view was that government support has been highly effective at supporting those already within the system. The uprating of pension and benefit payments by the rate of inflation was welcomed, as was the direct support payments to those in receipt of means tested benefits. While times remain tough, these measures are helping to keep the wolf from the door for lots of people — as of course is the Energy Price Guarantee which has paid half of the average household's energy bills this winter.

However, prices have risen to such an extent that there is now a group of people who have always been above the threshold for support who are really struggling. Unlike those already within the system they are not entitled to automatic support, and often don't consider or are too embarrassed to ask for support. Many recently retired people fall into this category, and charities are concerned that they're building up significant and unsustainable debt. They asked for Government to continue to raise awareness of support available to people in these circumstances and to continue to consider these demographics when developing policies, as we have done with our universal support for energy costs.

A number of specific points were raised, which I have outlined below:

1) While I hope direct cost of living support payments won't be required in future years, concern was raised about these being in £300 tranches rather than smaller amounts. Lots of people in receipt of them struggle with budgeting, and foodbanks noticed a large drop off in use in the week or two after they payments followed by an even stronger bounce-back. The charities suggested smaller monthly payments may be more effective.

Tel: 020 7219 6472 Email: helen.whately.mp@parliament.uk www.helenwhately.org.uk

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- 2) Charities and local authorities raised concern that the Local Housing Allowance has not kept up with private rental increases, and shortfalls can be up to £400 per month. A lack of stock of smaller retirement homes means that while many would be happy to downsize to avoid this, they are struggling to do so.
- 3) Citizens Advice said that a significant number of pensioners locally would like to work to top up their income, but struggle to access work. They mentioned that PIP helps people of working age access work but this is not available to people post-retirement who have not received it before. They asked for the Government to consider making PIP or similar funding available to support people post retirement age access work, making the point that this could be net-positive for HMT and help address workforce shortages.
- 4) Charities raised the challenge of first contact with people being when they're already in crisis either having built up a large amount of debt or experiencing a mental health breakdown, often both. This makes turning things around much more challenging. Making contact with these people earlier when their situation is easier to resolve would make a huge difference, and making sure channels to support are clear and de-stigmatised may help with this.
- 5) Many of the charities themselves are really struggling with rising costs and are at financial risk. The extra support for charities and community organisations announced in the Spring Budget could prove a huge help, but this hasn't reached the front-lines yet. Timely delivery of this would be a huge help.
- 6) Financial difficulties are exacerbated by Local Authorities often not paying charities on time. Strengthening guidance in this area would be a big help to them.
- 7) Some charities present raised concern about what they perceive to be underprovision of youth support. While new Family Hubs were commended, concern was raised that these wouldn't reach everyone in need. The impact of people falling through the gaps was raised by an addiction charity, who said that the level of mental health need of young people locally is at unprecedented levels.

I hope that this information helps to inform your ongoing work to support people through this incredibly challenging time. The support provided so far has been unprecedented and gratefully received, and thank you again for all your efforts.

Yours ever

Helen Whately MP

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