



Department
for Environment
Food & Rural Affairs

The Rt Hon Lord Benyon
Parliamentary Under Secretary of State

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Our ref: PO2022/07027/MK

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17 May 2022

Dear Graham,

Thank you for your letter of 28 March to the Secretary of State about the impact of global fuel costs on rural communities. I am replying as the Minister responsible for this policy area and apologise for the delay in doing so. Defra is currently dealing with high volumes of correspondence.

The Government recognises that people, including those in rural communities, are facing pressures with the cost of living, and the work undertaken by the Rural Services Network on behalf of its member organisations is much appreciated.

I do recognise the challenges and impacts the global fuel crisis is having on rural communities, and protecting consumers, especially vulnerable consumers, is a top priority for the Government. With this in mind, the Government is monitoring and assessing the impact of price increases on consumers and Defra is making sure the particular circumstances of rural consumers are highlighted.

The Government has taken action already to help mitigate the impacts. Consumers of heating oil and liquified petroleum gas will be eligible for the £200 energy rebate, as long as they are also domestic electricity customers. Financial support remains available for heating oil customers with energy bills, if eligible, through the Warm Home Discount, the Winter Fuel Payment and the Cold Weather Payment schemes.

The Government also understands that road fuel prices are an important component of UK household expenditures and it recognises the impact of road fuel costs on rural consumers. At the Spring Statement, the Chancellor announced a temporary 12-month cut to duty on petrol and diesel of 5p per litre. This measure represents a tax cut of around £2.4 billion over the next year. When compared with uprating fuel duty in 2022-23, cutting fuel duty to this level delivers savings for consumers worth over £5 billion over the next year and will save the average UK car driver around £100, based on average fuel consumption.

You note the additional costs local authorities may face. The Local Government Finance Settlement makes available £54.1 billion in 2022/23 for local government in England, an increase of up to £3.7 billion on 2021/22. The majority of this funding is not ringfenced in recognition that local authorities are best placed to understand local priorities and pressures, including those faced by rural communities.

The Government announced at the 2022/23 Local Government Finance Settlement that it will ensure that funding allocations for councils are based on an up-to-date assessment of their needs and resources - and takes account of the differing costs of delivering services nationally. We will work with stakeholders to take stock of the challenges and opportunities they face, before consulting on any potential funding reform.

Yours sincerely,



THE RT HON LORD BENYON