



**Department  
for Work &  
Pensions**

Minister for Social Mobility,  
Youth and Progression  
Mims Davies MP  
Caxton House  
Tothill Street  
LONDON  
SW1H 9DA  
[www.gov.uk](http://www.gov.uk)

**Debbie Abrahams MP**

House of Commons  
London  
SW1A 0AA

[www.gov.uk/dwp](http://www.gov.uk/dwp)

19 July 2023

Dear Debbie,

Further to the Work and Pensions Select Committee Cost of Living Payments evidence session on 5 July, I am writing in response to your question to me on how the value of the Disability Cost of Living Payment was set.

As you are aware, the Cost of Living Payments for 2023/24 were announced by the Chancellor of the Exchequer, on 17 November 2022 as part of the Autumn Statement. The decision on the value of these payments would have taken into consideration the general position on a range of factors at the time, including the level of inflation, the rising cost of energy, the benefit uprating cycle for 2023/24 where we weren't due to uprate by 10.1% until April 2023 and the overall support being provided to people across the United Kingdom, including those with a disabling condition, to help with their living costs.

As you will appreciate, the benefits system – parts of which were devolved to Scotland from April 2020 – provided nearly £69 billion in 2022/23 in real terms to support disabled people and people with health conditions and is expected to provide around £78.6 billion in 2023/24; around 3.1% of GDP. Of that, over £35 billion will be paid to those in receipt of Attendance Allowance, Disability Living Allowance or Personal Independence Payment in England and Wales. Additional sums will be available for those in receipt of the Scottish extra costs benefits, Constant Attendance Allowance, Armed Forces Independence Payment and the War Pensions Mobility Supplement.

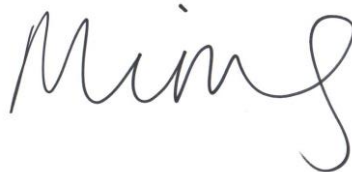
The DWP extra costs benefits, which are intended to provide a contribution towards the extra costs that people with long-term health conditions or disabilities can face, can provide up to £8,983 a year in benefit, tax-free, which the recipient can spend according to their own priorities. They can also be paid in addition to the other support that someone could receive, for example the wider package of cost of living support, including the Household Support Fund, the benefits system such as Universal Credit,

local authority support such as domiciliary care services, NHS services or other support such as the Blue Badge Scheme.

Given that broader context at the time of last November's announcement, the Government's aim was to ensure that households on the lowest income overall received the highest amount through the Cost of Living Payments as they were the most vulnerable to cost of living pressures, hence the values of the means-tested Cost of Living Payments and the Pensioner Cost of Living Payment.

This does not mean that the Government is in any way downplaying the cost of living pressures that disabled people are facing and, as I explained at the session, the Disability Cost of Living Payments should be seen as only one part of the overall package of support; 85% of those who qualify for it will also receive the means-tested or the pensioner cost of living payment. I should also stress that while the means-tested and pensioner Cost of Living Payments are being paid to households, the Disability Cost of Living Payments are available to individuals meaning that households with more than one person in receipt of a qualifying disability benefit will receive multiple payments.

In conclusion, thank you for allowing me the opportunity to expand on what was said during the session and to set out our approach. I am copying this letter to the Chair of the Work and Pensions Select Committee, the Rt Hon Sir Stephen Timms MP.

A handwritten signature in black ink that reads "Mims". The signature is written in a cursive, flowing style.

**Mims Davies MP**  
**Minister for Social Mobility, Youth and Progression**