

C News Cost Of Living Your Money



LIVE Updated 3 hours ago

Rachel Reeves speech LIVE: VAT cut for summer attractions and free bus travel

Chancellor Rachel Reeves is announcing several measures to ease the cost of living for householders across the UK today

📷 Chancellor of the Exchequer Rachel Reeves is announcing cost of living measures (Image: Rasid Necati Aslim/Anadolu via Getty Images)

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By [Sonia Sharma](#) ChronicleLive News Reporter

Rachel Reeves is introducing a number of measures to ease the cost of living across the country. The plan, due to be announced on Thursday, includes cheaper food and free bus rides for children.

Shoppers could also save on the cost of biscuits and chocolate as part of the package of measures being set out by Ms Reeves to ease the impact of the Iran war. The Government is cutting import tariffs on more than 100 types of product in a move that is expected to save consumers more than £150 million a year.

The Chancellor has also set out a "Great British Summer Savings" scheme, including free

The Chancellor has also set out a Great British Summer Savings scheme, including free bus travel for children in England during the school holidays in August. In the Commons today, Ms Reeves will give details of policies to tackle the cost-of-living squeeze triggered by the war in the Middle East but is not expected to announce immediate help with rising energy bills.

The household energy price cap is predicted to rise by £209 a year from July after the closure of the Strait of Hormuz pushed up global oil and gas prices. Ms Reeves may set out more details of her contingency planning but she is expected to wait until September before finalising any package of targeted support for households over the winter months, when more energy is used.

Ms Reeves is due to give a speech, announcing the plans on Thursday morning. ChronicleLive is bringing all the latest updates here.

Today 14:46 BST

All the key points from Rachel Reeves' speech

If you are just joining us, here are all the key points from Ms Reeves' speech today.

The Chancellor announced a number of measures in the House of Commons to help families struggling with the cost of living.

Comments 0

Sonia Sharma

Today 14:30 BST

"VAT cut should help put bums on seats and bring life to town centres"

Tina McKenzie, Federation of Small Businesses policy chair, said: "Anything that helps get families out spending this summer is good news for the restaurants, pubs, soft plays and attractions that have spent years fighting rising costs and shrinking margins. With 44 per cent of small hospitality firms based on or near the high street, a VAT cut should help put bums on seats and bring life into our town centres this summer.

"With families switching from international travel to domestic travel this summer, they'll be more people out and about on our local high streets. For many small firms, these next few months matter enormously after a bruising period of rising costs and squeezed consumer spending. Families will make extra purchases, such as drinks and merchandise, which is likely to be the biggest help to small businesses' bottom lines.

"Confidence in the hospitality sector is dire, and 94 per cent of small businesses in those sectors saw their costs rise over the past three months, with tax one of the biggest drivers of that (61%). A further 35 per cent of hospitality businesses expect to contract over the next twelve months.

"A strong summer could be the difference between staying afloat and shutting up shop for some businesses. Smaller hospitality firms have spent years absorbing rising costs wherever they can. Measures that help bring customers back through the door and give firms more room to invest are badly needed.

"As people plan summer days out, we'd urge them to back the small local pubs, cafés, attractions and hospitality venues that make our communities special."

Comments 0

Sonia Sharma

Today 14:16 BST

"Cost-of-living crisis demands much bolder action"

The Government should go further to ease cost-of-living pressures, the Institute for Public Policy Research has said.

Harry Quilter-Pinner, executive director at the centre-left think tank, said in a statement:

"The Chancellor is right to cut costs for families this summer, but the cost-of-living crisis demands much bolder action. The Government needs to wage an all-out war on bills.

"Ministers should show working people whose side the Government is on by capping rents, using competition policy to tackle price gouging, and shifting the tax burden from work to wealth.

"There are plenty of levers the Government can pull to lower the cost of living. They must prove they will 'do whatever it takes' to help families through this challenging time."

Comments 0

Sonia Sharma

Today 13:58 BST

"Funding will support thousands of jobs"

Regarding the multimillion-pound funding packages for chemicals and ceramics firms, Business Secretary Peter Kyle said: "At a time of global uncertainty, it's never been more important to ensure Britain's resilience and back the industries our country depends on, and this funding will support thousands of jobs and put businesses on a secure footing for the long term.

"This is what a strategic state looks like: acting swiftly with targeted support in the national interest and giving certainty to the industries crucial to both our everyday lives and our economic future."

Comments 0

Sonia Sharma

Today 13:45 BST

"Timely boost for UK's visitor attraction sector"

Theme parks and cinemas have welcomed the slashing of VAT on summer attractions.

Paul Kelly, chief executive of the British Association of Leisure Parks, Piers and Attractions, said it was "a very welcome and timely boost for the UK's visitor attraction sector".

He added: "Our members stand ready to pass on this benefit and deliver brilliant, memorable experiences for visitors of all ages."

UK Hospitality chairwoman Kate Nicholls said a lower rate of VAT for hospitality was "the quickest and simplest way to lower prices and boost consumer confidence".

Comments 0

Sonia Sharma

Today 13:35 BST

Union welcomes support for ceramics and chemicals industries

GMB Union, representing workers across the ceramics and chemicals industries, has welcomed the Government's announcement today of new package of support for the sectors.

Charlotte Brumpton-Childs, GMB National Secretary, said: "GMB has been calling for the Government to step up support for energy intensive industry.

"This is a hugely welcome step in the right direction and will be reassurance to workers in

our chemicals and ceramics industry that Government is finally listening."

Comments 0

Sonia Sharma

Today 13:25 BST

No immediate help with energy bills

As expected, Ms Reeves did not announce immediate help with energy bills driven up by the war in the Middle East.

Comments 0

Sonia Sharma

Today 13:15 BST

"Making it easier and more affordable for families to get out"

Sir Keir Starmer said the package of summer cost-of-living measures would allow "families to enjoy moments that matter without the same level of financial strain".

Writing on Substack, the Prime Minister said it was "not right" that "for too many families those things – a trip to the seaside, a visit to the zoo, a bus ride into town for a day out, even a simple treat at the end of the week – are starting to feel out of reach".

"This summer, we are making it easier and more affordable for families to get out, spend time together, and make memories they will cherish for life," he wrote.

He said the VAT cut on summer activities and free bus travel for children would mean "the cost of a day out drops overnight".

"It means more freedom for parents and more independence for young people.

Opportunities to explore towns, parks, seaside resorts and countryside that might otherwise have felt out of reach."

The Government was providing "a serious response" to the "concerns people have about the months ahead".

Comments 0

Sonia Sharma

Today 13:07 BST

"U-turn has finally come"

Conservative shadow chancellor Sir Mel Stride said the "U-turn has finally come" after Ms Reeves announced a delay to the rise in fuel duty.

Responding to the Chancellor's statement in the Commons, Sir Mel said: "It was always obvious that the fuel duty increase would need to be cancelled. Obvious to everyone except the Chancellor. So can I ask, why did the Chancellor fight us on fuel duty for so long? Why has she been so hell bent on raising fuel duty during an energy crisis? Well, inevitably, the U-turn has finally come."

Sir Mel was critical of Ms Reeves' claims repeated on the economy. He said growth was still down from the 1.3% the International Monetary Fund was predicting before April. He said the Government was borrowing more, and said inflation was the highest in the G7, and likened Ms Reeves' statement to when she dropped the cuts to the winter fuel allowance. He said: "Nobody bought it then, and nobody is buying it now. Once again we have a weak Government caving in to the inevitable after spending months defending a truly terrible decision."

Ms Reeves replied: "I have always said, since the Middle East conflict began, that I would keep an eye on what was happening to oil and gas prices and set out plans ahead of the change due to come into effect in September, and that is exactly what I have done.

"I have also gone further in three specific areas, with additional support for hauliers, additional support for red diesel, particularly helping the rail, freight industry and farmers, and the higher mileage rates."

Comments 0

Sonia Sharma



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Today 13:00 BST

Great British Summer Savings scheme to cost £300 million

The "Great British Summer Savings" scheme is estimated to cost around £300 million, the Treasury said.

Final costings for all the measures will be detailed at the next budget following scoring from the Office for Budget Responsibility, the department said.

It said the Government expects businesses to pass on VAT savings from the cut from 20% to 5% on summer activities to customers.

HMRC has published guidance for businesses on how to operate the scheme.

Comments 0

Sonia Sharma

Today 12:58 BST

Free bus travel for children confirmed

In her Commons statement, she also confirmed that children aged between five and 15 would receive free bus travel across England during August.

Comments 0

Sonia Sharma

Today 12:52 BST

Cut in VAT for attractions

The Chancellor has announced a cut in VAT for attractions such as theme parks, zoos and museums over the summer.

She said: "I recognise that what matters for families is not just getting by but being able to enjoy time together without worrying about the next bill. That is why I am launching the Great British Summer Savings scheme to help families and support our hospitality sector.

"So I can today announce a temporary cut in the rate of VAT on summer attractions from 20% to 5% over the summer holidays. This will apply to ticket prices for both adults and children, covering attractions such as fairs, theme parks, zoos and museums.

"It will include children's tickets for cinemas, concerts, soft play and the theatre, and it will cut the cost of children's meals in restaurants and cafes from 20% VAT to 5% as well.

"These changes will apply across the UK from the start of the Scottish school holidays on June 25 and run until the end of school holidays in England, Wales and Northern Ireland on September 1."

Comments 0

COMMENTS 0

Sonia Sharma

Today 12:47 BST

No rise in fuel duty

Ms Reeves has also confirmed that there will be no rise in fuel duty in 2026.

Comments 0

Sonia Sharma

Today 12:44 BST

Suspending tariffs on over 100 foods sold in supermarkets

Ms Reeves said she expected supermarkets to pass on savings from reduced tariffs to their customers "in full".

The Chancellor told MPs: "I know the cost of the weekly shop is often one of the biggest worries for families, so last month I met with supermarkets to urge them to do all they can to keep prices low.

"And today I am taking action by suspending tariffs on over 100 different foods sold in supermarkets.

"And I am clear that I expect supermarkets to pass these savings on in full to their customers."

She added: "I will not tolerate any company exploiting the current situation to make excess profits at consumers' expense, so I am bringing forward tough new powers so that the Competition and Markets Authority and other regulators can take action when firms break the rules."

Comments 0

Sonia Sharma

Today 12:41 BST

Road tax holiday for HGVs

The chancellor has announced a 10p per mile increase in tax-free mileage rates backdated to April 2026, and a 12-month road tax holiday for heavy goods vehicles (HGVs).

She told the Commons: "For hauliers, the Government is granting a 12-month road tax holiday for HGVs, saving the typical heavy lorry up to £912.

"To support farmers and the rail freight industry, I have decided to cut duty on red diesel by over a third until the end of this year.


"And having heard from (Labour former minister Jim McMahon) and the trade union Unison, I can today announce a 10p per mile increase in tax-free mileage rates backdated to April 2026 benefiting those who need to drive for work, from care workers to plumbers."

Comments 0

Sonia Sharma

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Today 12:39 BST

Changing how companies with overseas operations are taxed

Ms Reeves said she would pay for cost-of-living support by changing how oil and gas companies with overseas operations were taxed.

She told MPs: "Today I am bringing forward specific changes to the taxation of foreign branch profits, changing how companies are taxed in relation to their overseas activities.

"Currently, some oil and gas groups that operate overseas through foreign branches have structured their tax affairs in a way which ensures they pay little or no corporation tax on their UK energy trading profits.

"Today we are putting an end to that practice

Today we are putting an end to that practice.

"We expect these reforms to raise hundreds of millions of pounds a year and fund the package of measures set out today, with costings certified by the OBR (Office for Budget Responsibility) forecast in the usual way."

Comments 0

Sonia Sharma

Today 12:34 BST

"We will always stand up for British industry"

Ms Reeves has said the Government is "establishing a £350 million critical chemicals resilience fund to support strategically important producers".

The Chancellor also told the Commons: "I am today announcing a new £120 million fund to help our historic ceramics sector, helping them to increase efficiency and drive down energy costs, because we will always stand up for British industry and for British jobs."

Comments 0

Sonia Sharma

Today 12:32 BST

On energy price cap

The energy price cap from July is expected to be "at a similar level to the cap in April last year", the Chancellor has said.

Rachel Reeves told the Commons: "I've been clear eyed about my duty to do what I can to support families and businesses, to be responsive to a changing world and responsible in the national interest.

"Next week, Ofgem will confirm the level of the energy price cap that will apply from July.

"I know that any increase will be felt by families.

"Because of the decision that I made at the budget last year to cut £150 from energy bills, we have lessened the impact of rising prices and current external forecasts suggest that the cap from July will be at a similar level to the cap in April last year.

"We stand ready to act if market conditions worsen significantly later this year and I have been leading cross-Government contingency work on design of potential future targeted and temporary support for businesses."

Comments 0

Sonia Sharma

Today 12:30 BST

VAT on summer attractions to be temporarily cut

The rate of VAT on summer attractions will be temporarily cut from 20% to 5%, the Chancellor has said.

Comments 0

Sonia Sharma

Today 12:29 BST

£350 million critical chemicals resilience fund

Ms Reeves has also announced a £350 million critical chemicals resilience fund and a £120

million fund to help the ceramics sector as part of cost-of-living measures.

Comments 0

Sonia Sharma

Today 12:28 BST

10p per mile increase in tax-free mileage rates

Chancellor Rachel Reeves has announced a 10p per mile increase in tax-free mileage rates backdated to April 2026.

Comments 0

Sonia Sharma

Today 12:19 BST

Reeves statement begins

Ms Reeves is now giving her statement on the impact of the Middle East war and cost of living pressures.

We will bring you updates here

Comments 0

Sonia Sharma

Today 12:17 BST

Speech starting soon

Chancellor Rachel Reeves is preparing to give her speech in the House of Commons

Comments 0

Sonia Sharma

Today 12:06 BST

Free bus travel follows successful pilot

The scheme to provide free bus travel for children in August comes following a successful pilot ran last summer by the Mayor for the West of England, Helen Godwin.

Ms Godwin said: "Kids Go Free in the West of England has seen around 1.4 million free journeys over the summer, Christmas, and Easter holidays since my election last year. It's brilliant that, after we have invested devolved funding to make a difference that people across the West can see and feel, the government is rolling out Kids Go Free nationally this August!

"There's been a huge increase in public transport use through our offer already, including children and families travelling on our new green buses. Bus travel from our lowest income areas doubled year-on-year last summer, with kids able to just hop on board and no registration needed. I'm so excited to see Kids Go Free return again for the school summer holidays - helping more children and young people to explore the best of what the West has to offer."

Comments 0

Sonia Sharma

Today 11:52 BST

Efforts to reduce pressure on prices

The Government is launching a business engagement exercise, with a view to making further targeted cuts to agri-food tariffs, suspending tariffs on over 100 types of products including biscuits, chocolate and dried fruit and nuts.

The expected benefit to consumers is more than £150 million a year. The full list of products will be published next week, with business engagement commencing next week. As per previous commitments, the list takes account of domestic production and food security and does not include any significant UK primary agriculture production. This is on top of the expected consumer benefits from agri-food tariff suspensions, announced at the end of April, of around £100 million to £400 million each year.

Comments 0

Sonia Sharma

Today 11:42 BST

"We've ended up in a very weak and fragile position"

Responding to the new announcements, Conservative shadow chancellor Sir Mel Stride told the Press Association: "I don't think it's going to make a massive difference if a packet of peanuts is a bit cheaper or a chocolate bar is slightly cheaper than it would otherwise have been.

"These (cost-of-living) pressures have arrived because of the decisions that the Chancellor took. She put up taxes, particularly on businesses, which stoked inflation, slowed the economy, borrowed a lot of money, which has stoked inflation as well. And we've ended up in a very weak and fragile position just as we're going into additional pressures now because of the Middle East and an increase in oil and gas prices."

Comments 0

Sonia Sharma

Today 11:31 BST

Inflation expected to rise

The Office for National Statistics said Consumer Prices Index (CPI) inflation fell to 2.8% in April, down from 3.3% in March – and the lowest level since March 2025.

But this was largely driven by regulator Ofgem lowering the energy price cap from the start of April by 7%, or £10 a month, for the average household using both electricity and gas, which was pushed down by Government measures to reduce bills.

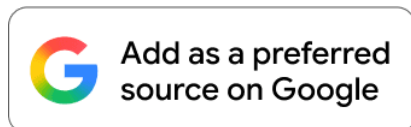
Inflation is expected to surge back up as the conflict in the Middle East has sent fuel prices soaring and the energy price cap is expected to increase significantly from July when it is next updated.

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Today 11:25 BST

Will there be any announcements regarding energy bills?

Ms Reeves is not expected to announce immediate help with rising energy bills.

The household energy price cap is predicted to rise by £209 a year from July after the closure of the Strait of Hormuz pushed up global oil and gas prices.

Ms Reeves may set out more details of her contingency planning but she is expected to wait until September before finalising any package of targeted support for households over the winter months, when more energy is used.

Comments 0

Sonia Sharma

Today 11:03 BST

Speech time change

It appears Ms Reeves speech will be a little later than originally planned.

Instead of 11.30am, she is set to make her statement on the Middle East and the Government's economic response at 12.15pm.

Comments 0

Sonia Sharma

Today 10:46 BST

"Even small savings can make a real difference"

The free bus travel for children initiative is getting another thumbs-up.

Lydia Horbury, CEO of passenger champions Bus Users UK, said: "Making bus travel free for children throughout August is a hugely welcome step that will help families, encourage greater use of public transport and give young people more independence and opportunity over the summer holidays.

"For many households, even small savings can make a real difference, and this initiative removes both cost and complexity by making travel simpler and more accessible. It is also a wonderful opportunity for more families to experience the convenience and value of local bus services first hand.

"We hope this not only supports communities over the summer but also inspires lasting confidence in public transport and encourages the next generation to see buses as an easy and sustainable way to travel."

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Sonia Sharma

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