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Rt. Hon John Healey
Chancellor of the Exchequer
11 Downing Street
London SW1 2AA

Sent to: action.chancellors@hmtrasury.gov.uk; also sent to Secretary of State for Energy Security and Net Zero

Re. Organisations write to the Chancellor urging universal as well as targeted energy support this winter

Dear Chancellor,

With today's energy price cap increase, yearly energy bills will reach £1,723 for a typical household - £60 more than under the previous cap and the highest for three years.

Yet this is just the tip of the iceberg. There is no hiding from the reality of how difficult this winter will be for millions across this country. The impact of the Russian invasion of Ukraine in 2022 has become a reference point for the energy bill crises in recent years, but this winter is set to bring bills that are far more unaffordable than at that peak. The latest forecasts suggest the price cap will rise to around £2,100 in January. Analysis by the New Economics Foundation suggests that, without further intervention, **this means energy bills in 2027 will rise £200 higher than their peak level in 2022/23.**[1]

We are writing to impress upon you the need for urgent relief before the next price cap kicks in. We are a diverse group of organisations - from civil society organisations to businesses, trade unions and grassroots groups - on behalf of millions around the country who are already struggling to meet the cost of essentials, and who can ill-afford another bill hike. Many of us work to support people at the sharpest end of the cost of living crisis, yet it is not only this group who are struggling to make ends meet. **To address the scale of the crisis this winter, you must provide relief to all energy consumers, as well as targeted additional support for those who need it most.**

The current shock serves to compound years of cost of living pressures that have decimated household budgets and taken a sledgehammer to businesses' ability to trade. Energy debt remains a leading source of financial stress for households and this spike will only make

[1] Ofgem changes to the typical consumption values used to communicate the price cap have distorted interpretation of recent price cap changes. Household energy consumption levels have changed little since 2022/23 and therefore changes should be calculated on a like-for-like basis. The energy bill support scheme (EBSS) has also often been forgotten in recent coverage, the EBSS took an extra £400 off household energy bills on top of the protection provided by the Energy Price Guarantee in 2022/23. NEF calculate the 'true bill' using like-for-like consumption, deducting government support, and weighting by each quarter's price cap and share of consumption.

things worse still. In 2026, 2.38 million low-income households cannot afford to keep their homes warm, according to the Joseph Rowntree Foundation. As bills rise further for businesses, prices will keep rising across the economy. Within this context, it is unsurprising that so many people, who are already struggling, are intensely worried about paying bills and keeping their heads above water this winter. New polling shows that 71% of the public are worried about how the Iran war will increase their bills this winter.

In the face of such a crisis small-scale measures will not be sufficient. We welcome the breathing space measures the new Prime Minister has introduced, such as removing VAT from electricity bills, but it is clear that this does not go far enough and that what is coming down the track this winter requires a much more substantial response.

Failure to learn from mistakes made by past governments at previous energy crisis points would be catastrophic. This means the intervention at the autumn Budget must include both targeted and universal measures, balancing support for those at the sharpest end of the cost of living crisis with a mechanism to cut costs for everyone. Limiting intervention to only targeted measures would risk leaving millions in the lurch, vulnerable to further price shocks as a result of geopolitical events far from their control, and deepening the cost of living crisis that has decimated household finances for years. It also risks creating unfair cliff-edges and perceptions that the government is not on the side of average households.

Any interventions should also pave the way for longer term reforms to protect the public from these increasingly-frequent shocks and provide certainty in an uncertain world. Anything announced at the Budget must be matched by a plan to build tools which allow governments to target support to households when energy prices spike further, building resilience and supporting households.

Finally, it is also crucial to resist the siren call of false solutions. Bills will remain high and volatile as long as we depend on fossil fuels - clean energy is the only long-term solution, and expanding drilling would do nothing to bring down bills.

With the budget less than a month away and bills rising from today, decisions must be made now to protect families and businesses this winter. We urge you to implement universal relief that meets the severity of this moment and provides some hope in the face of a challenging winter.

Yours faithfully,

Conor O'Shea, Campaign Coordinator, Cost of Living Action
Simon Francis, Coordinator, End Fuel Poverty Coalition
Alex Chapman, Head of Economic Policy, New Economics Foundation
Alfie Stirling, Director of Insight and Policy, Joseph Rowntree Foundation
Katy Styles, Founder, We Care Campaign
Mike O'Brien, Co-founder, VOICES ADFOCAD
Jonathan Bean, Policy & Parliament Lead, Fuel Poverty Action
Sabine Goodwin, Director, Independent Food Aid Network
Neal Lawson, Director, Compass
Nicola Booth, CEO, Single Parents Support and Advice Services

Will Stronge, Director, Autonomy Institute
Dave Callow, General Secretary, Social Workers Union
Nye Jones, Head of Campaigns, Generation Rent
Tom Burgess, CEO, Taxpayers Against Poverty
Hannah Dewhirst, Head of Campaigns and Communications, Positive Money
Mat Lawrence, Director, Common Wealth
Joanna Elson (CBE), Chief Executive Officer, Independent Age
Ruth Hannan & Hannah Webster, Co-Directors, Care Full
Lisa Hough-Stewart, Director, Wellbeing Economy Alliance Scotland
Jo Wittams and Priya Sahni-Nicholas, Co-Executive Directors, The Equality Trust
Veronica Hawking, Director of Campaigns, 38 Degrees
Hannah Martin, Co-director, Green New Deal Rising
Heidi Chow, Executive Director, Debt Justice
James Taylor. Executive Director of Strategy, Impact and Social Change, Scope
Matt Copeland, Interim Director of Policy, National Energy Action
Dr Richard Hauxwell-Baldwin, Head of Research, Policy & Campaigns, The MCS Foundation
Daniel Kebede, General Secretary, National Education Union
Areeba Hamid, Co-Executive Director, Greenpeace UK
Dr. Faiza Shaheen, Executive Director, Tax Justice UK
Kate Meakin, Director, Energise Sussex Coast