

# Warm This Winter

Rt Hon Jeremy Hunt MP  
Chancellor of the Exchequer  
HM Treasury  
1 Horse Guards Road  
London  
SW1A 2HQ

By email  
1 November 2023

## An Emergency Energy Tariff to keep people Warm This Winter

Dear Chancellor,

People are suffering with the crippling cost of energy bills.

The Government's unprecedented support for households last winter helped alleviate some of the pain, but energy bills today are still almost [double](#) what they were in winter 2020/21.

And, crucially, the ability of people to pay these bills has diminished. Energy efficiency campaigns and long term measures to improve housing and bring down the cost of energy are important, but they will not help ease suffering this winter.

Already this year, National Debtline found that more than [one in five people](#) (22%) say they have cut back on food and other essentials in order to keep up with energy bills (an estimated 11.6 million people). Two thirds (66%) say they will reduce how much they use the heating this winter.

Meanwhile millions of people have sold personal possessions (9%, 4.7 million people), used their overdraft (7%, 4 million) and turned to high-cost credit (4%) in an effort to stay on top of rising energy costs.

Over a third (38%) of people living in vulnerable households can't afford to put the heating on at all this winter, according to new data from Opinium, commissioned by the Warm This Winter campaign. Two-thirds of households where someone is under 5, pregnant, over 65 or with preexisting health conditions, will keep the heating off as long as possible.

To be clear, this is not an issue that only affects people on benefits. Over a quarter (27%) of people who **do not** receive benefits say they are unable to put their heating on this winter.

This means that many millions of people - including elderly and disabled people and families with young children – will be unable to afford to heat their homes this coming winter, which will impact their physical and mental health, increase demand on the NHS this winter and could even cost lives.

And people are already in record levels of energy debt. We support the calls from the Money Advice Trust and others for a [Help To Repay scheme](#). But that will only help deal with historical debt, it will not prevent future debt. Nor will it help keep people warm this winter.

**That's why we are now calling on you to provide funding in the Autumn Statement to deliver an Emergency Energy Tariff - a specific, targeted, time limited and practically possible intervention.**

The Tariff could be set at the same level as the Ofgem Price Cap as at 1 October 2020. It could be made available to selected, most in need, groups through the existing Energy Price Guarantee mechanism which means that it can be delivered this winter.

Under our proposals, the average household on the Emergency Tariff would see their monthly energy bills reduced by approximately £87.

We have provided more detail on the proposals below.

But, there is naturally the potential for flexibility in the levels of support provided and the targeting - and there are pre-existing schemes which energy firms operate which would reduce the cost of the overall programme.

Therefore, we would welcome the opportunity for members of the campaign and the End Fuel Poverty Coalition to meet with you and officials to discuss our proposals at the earliest opportunity in order for you to announce an Emergency Energy Tariff in the Autumn Statement.

Yours sincerely,

*The Warm This Winter Campaign*

**Contacts:**

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**The Emergency Energy Tariff**

*Who is it for?*

Recipients would include those:

- Who have medical needs which mean they rely on energy - which are identifiable via the Priority Service Register. It would include groups who have a wheelchair which needs charging, a hoist to get out of bed, diabetics who need insulin stored in the fridge and those who have sickle cell anaemia who need to stay warm. (c. 1m households)
- Who have dangerously low (or no) gas usage, but have a gas meter and supply (estimated at 1m households).
- Who are eligible for Warm Homes Discounts (c. 3m households)
- Who are on a prepayment meter - either legacy or smart meter (c.4.5m households)

In total, this would be around 8m households.

Crucially, the Emergency Energy Tariff will be delivered through the EPG scheme and NOT through the benefits system (although the benefits system could be used to help identify the

households in need of support). This means support goes straight to help with reducing the cost of energy and keeping people warm this winter.

*What is it worth to eligible households?*

The Emergency Energy Tariff would use the EPG mechanism to fix the unit costs and standing charges at the levels of energy bills in winter 2020/21, i.e. before the energy bills crisis. For the average household on the Emergency Energy Tariff, this would see their monthly energy bills reduced by approximately £87 from current levels - a saving of around 46%. New research for the Warm This Winter campaign shows that this level of support would be sufficient to bring almost all included groups into an affordable level of energy.

<b>Costs for dual fuel, direct debit, GB averages.</b>	<b>Proposed Emergency Tariff (i.e. Costs in winter 2020/21)</b>	<b>Current Ofgem Price Cap (1 Oct 2023)</b>	<b>% cost saving for eligible households</b>
<b>GAS UNIT (p/kwh)</b>	<b>3.5</b>	<b>6.89</b>	<b>49%</b>
<b>GAS SC (p/day)</b>	<b>27.35</b>	<b>29.62</b>	<b>8%</b>
<b>ELEC UNIT (p/kwh)</b>	<b>12.5</b>	<b>27.35</b>	<b>54%</b>
<b>ELEC SC (p/day)</b>	<b>24.38</b>	<b>53.37</b>	<b>54%</b>
<b>Average household monthly bill (old TDCVs), GBP</b>	<b>86.83</b>	<b>160.25</b>	<b>46%</b>

*What will it cost the Government?*

Many energy firms have announced their own schemes to help customers and these could be used to reduce the cost of the Emergency Energy Tariff. The Government should discuss with industry how the Emergency Energy Tariff interacts with these support programmes.

However, if all the suggested groups were included in the Emergency Energy Tariff, it would cost approximately £695m a month. Between December and when the Energy Price Guarantee lapses, in April 2024, this would therefore cost £2.8bn.

This could easily be paid for through underspend in the EPG from within the current financial year and would also have the benefit to the taxpayer of reducing unnecessary hospital admissions due to cold, and reliance on the NHS during the crisis winter months.

Should the Emergency Energy Tariff be successful, the EPG and the Tariff could be extended by the Government - or preferably replaced in April 2024 with a longer term solution, such as a social tariff or Energy for All scheme.

*The initial research to inform the development of the proposal and targeting of support was undertaken by the [University of Oxford's Environmental Change Institute](#) and Cambridge Architectural Research.*

Dr Jason Palmer, Cambridge Architectural Research:

“Financial support for households struggling with fuel poverty is critical this winter, and only with government help will the most vulnerable people stay out of hospital and avoid anxiety from going into debt. This support should run in parallel with much greater investment in energy efficiency to address fuel poverty and bring down carbon emissions from homes.”

Jan Shortt, General Secretary of the National Pensioners Convention:

“Government financial support for this winter is absolutely crucial to older and vulnerable people. A longer term effective policy of addressing fuel poverty must contain genuine and active moves to sustainable, renewable and affordable energy.”

Dr Tina Fawcett, Associate Professor, University of Oxford:

“Our research has helped identify how to effectively target vital support to households most at risk this winter. To avoid future energy bill crises, locally we need more investment in energy efficiency and energy advice, and nationally we must rapidly reduce our dependence on fossil fuels.”

### **Support for the Emergency Energy Tariff**

Rachael Williamson, Head of Policy and External Affairs, Chartered Institute of Housing:

“Our members see first hand the impact that high energy prices are having on some of the most vulnerable. Even before the recent rapid increase in gas and electricity prices, approximately 4.5 million UK households were living in fuel poverty. An emergency energy tariff would help provide targeted support for those most at risk this winter. This should be coupled with a longer-term strategy to develop a social tariff, boost energy efficiency and tackle energy debt so we can reduce fuel poverty and carbon emissions.”

Alex Massey, Head of Policy, Public Affairs and Campaigns, MND Association

“People living with MND have been hardest hit by the energy crisis. Many rely on a wide range of personal powered equipment at home to maintain life, health and wellbeing. Consequently, soaring energy costs have placed many households in an impossible financial position. Targeted government investment is now essential to prevent people living with MND being forced to choose between which vital piece of medical equipment to switch off this winter.”

Warm This Winter is a campaign bringing together more than 40 of the UK's leading anti-poverty and environmental charities. Fiona Waters, spokesperson for the campaign commented:

“As millions of households batten down the hatches and prepare for a miserable winter in cold damp homes, only the Government can now prevent a winter crisis.

“As well as this emergency tariff for those now priced out of the market, people want to see bills come down permanently, which is going to require government action. We need to see beefed up programmes to insulate homes, more heat pumps fitted, which are cheaper to run, and more homegrown renewable energy built so we can get off expensive gas.”

The End Fuel Poverty Coalition is a [broad coalition of more than 70 anti-poverty, health, housing and environmental campaigners, charities, local authorities, trade unions and consumer organisations](#). It is also supported by academics, social enterprises and those working on the front line of fighting fuel poverty. We believe that everybody has the right to a warm, dry home that they can afford to heat and power. Simon Francis, coordinator, End Fuel Poverty Coalition:

“This Emergency Energy Tariff is a specific, targeted, time limited and practically possible intervention which the Chancellor can take to send direct help to households who are most at risk of living in cold damp homes. The Government should meet with charities and

industry to finalise the details of the proposal and then it can use the opportunity of the Autumn Statement to send a clear message to the public that Ministers understand their suffering and are prepared to help them stay warm this winter.”