

Government energy loans will increase household fuel debt to £7.2bn, Green co-leaders warn



Green Party

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- Co-leaders Carla Denyer and Adrian Ramsay reveal cost of government scheme to households as part of keynote speech to Spring Conference 2022
- Green Party would use fossil fuel profits to ease energy crisis for all by restoring £20 uplift and doubling it £40, as well as Winter Fuel Payment for all
- Ramsay: “As millions of people are left not knowing how they’re going to afford to get through the year, the government’s response is to simply burden them with more debt”
- Denyer: “It is time the government implements a ‘Dirty Profits Tax’ on the excessive profits from UK oil and gas extraction, and uses this money to provide proper support for every household, and particularly those who need it most”

The Green Party co-leaders will today [Friday 4 April] urge the government to cancel its proposed energy loan scheme which will burden households with £7.2 billion debt to energy companies, in a keynote speech to the party’s 2022 Spring Conference.

Using new figures, Carla Denyer and Adrian Ramsay will reveal that the government’s loan scheme to help people through the energy crisis will increase fuel debt by 338% across households in Great Britain [1]. They will call on the government to use a tax on the profits of fossil fuel companies to restore the £20 Universal Credit uplift and double it to £40, as well as reiterating their call for a £320 winter fuel payment for all.

Adrian Ramsay will say:

“As millions of people are left not knowing how they’re going to afford to get through the year, the government’s response is to simply burden them with more debt. All in a bid to protect the interests of the fossil fuel industry.

“This is not just reckless, it is a cruel and dangerous approach which puts the interests of polluting big business ahead of the basic needs of

households up and down the country.”

Carla Denyer will say:

“That’s why today the Green party is calling for this energy loan scheme to be cancelled – and instead for the government to provide households with true support – grants, not loans – in line with our own five point plan. All of this funded by a tax on dirty fossil fuel profits.

“This would include a raft of measures such restoring the £20 Universal Credit uplift and doubling it to £40, extending a Winter Fuel Payment of £320 to all, and providing an emergency grant to homeowners, landlords and councils to fund immediate insulation improvements to those at risk of fuel poverty.

“It is time the government implements a ‘Dirty Profits Tax’ on the excessive profits from UK oil and gas extraction, and uses this money to provide proper support for every household, and particularly those who need it most.”

Latest Ofgem figures suggest total current household debt to energy companies is £1.6bn. The Conservative government’s plan to offer £200 to households, to be paid back in subsequent years, will create £5.6bn new fuel debt, making a total of £7.2bn debt.

In the midst of a cost of living crisis, the Green leaders have said it is unacceptable for government policy to be adding to people’s burden of debt, particularly for those that are least able to pay it back.

They have now urged the government to implement the Green Party’s five point plan to tackle the rising energy costs crisis, which would:

1 – Restore the £20 uplift to Universal Credit and double it to £40

2 – Extend winter fuel payments to all by providing each household with an additional £320 to help them pay for spiralling energy costs and avoid fuel poverty

3 – Make the polluters pay by introducing an emergency Dirty Profits Tax on North Sea oil and gas company profits [2] and a longer-term policy of a carbon tax

4 – Provide an emergency grant to homeowners, landlords and councils to fund immediate insulation improvements to those at risk of fuel poverty

5 – Invest in domestic energy security by massively ramping up onshore and offshore wind and solar and move the green levies from electricity to gas bills

Adrian Ramsay will say:

“Our proposal is an emergency measure made necessary because of decades of delay in getting to grips with the climate crisis. People need the money now.

“But this is also a moment to say ‘enough is enough’. We do not have to live this way. A truly Green society would not be facing this crisis – and with action now we can make sure we don’t have to face it again.

“Building and upgrading to the kind of homes that people really want to live in isn’t a priority for our government because while people freeze in their homes, this government is warm and cosy in bed with dirty energy companies who are making record profits from the misery of millions.

“We say – let’s put people first. Let’s aspire to a future where energy bills are virtually non-existent.”

ENDS

Notes

1

Using [latest Ofgem figures](#), the Green Party calculates that the total current household debt to energy companies is £1.659 billion.

Total number of households in debt

Electricity – 1.6m

Gas – 1.3m

Average debt where there is a repayment arrangement

Elec (847k households): £430

Gas (662k households): £352

Average debt where there is no repayment arrangement

Elec (778k households): £834

Gas (628k households): £660

Total current debt: £1.659bn

Electricity: £1.012bn (£364m with repayment plan + £648m with no plan)

Gas: £647m (£233m with plan + £414m with no plan)

[The Conservative government’s plan to offer £200 to every household](#), to be paid back in subsequent years, will create a total of £5.6bn new fuel debt. This combined with the £1.6bn of current debt will create a total of £7.2bn – a 338% increase in fuel debt across all households.

2

This will be via change to [Supplementary Charge](#) or rates for [Ring Fence Corporation Tax](#) which covers only domestic oil and gas profits, however

estimates of yield are conservative since the corporation tax yield from oil and gas companies general profits will also be higher due to their higher profits

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