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# Energy crisis is a 'Dunkirk moment': Frank Field and Ros Altmann



Former pensions minister Frank Field. Credit: Labour/Fotoware

By **Simoney Kyriakou**

**R**adical action is vital to protect millions of Britons as the rising cost of energy plunges households into poverty, two former pensions ministers have warned.

Ros Altmann and Frank Field have warned that, whoever the new prime minister will be as the race between Liz Truss and Rishi Sunak draws near to conclusion, tax tinkering "won't do".

In a joint statement, the pair said: "Government action on energy crisis must recognise this is a Dunkirk moment – patching up won't do, radical action is vital."



**We recommend action to reduce price rises directly.**

Altmann and Field

Field and Altmann, who are both members of the House of Lords, are working together to assess what needs to be done to protect Britons as the winter months approach.

The statement said: "Any new package must recognise two factors.

"The first is direct action to reduce energy costs is superior to handouts as it also lowers CPI, RPI and wage inflation with wide economic benefits.

"Second, privatisation has failed and radical reform of energy pricing throughout the economy is needed."

They urged the new PM to "focus help with energy costs on directly reducing inflation by controlling the price rises, rather than adding upward pressure with poorly-targeted taxpayer handouts".

The pair has also called for an "urgent review and radical reform of pricing structures" with immediate effect, while temporarily halting what they have branded "the extraordinary, damaging price increases".

Field was minister for welfare reform under Tony Blair and was chairman of the work and pensions select committee for four years until 2019.

Altmann succeeded Steve Webb as pensions minister in 2015 under David Cameron.

According to the statement, temporary halt or reduction to price rises will directly reduce CPI and ease pressure on households and businesses.

It will also prevent wage-price spirals spreading uncontrollably, while allowing time for market prices to subside, super-normal profits to be redistributed and better price mechanisms to be agreed.



Ros Altmann at Conference. [Credit: Simon Dawson/Bloomberg]

The statement added: "We recommend action to reduce price rises directly. This could entail freezing costs this winter or capping the increase at 5 per cent, which means six to nine months of subsidies rather than billions of pounds in handouts to households.

"It also means ensuring super-normal profits of non-gas energy suppliers can benefit consumers, not shareholders.

"This package will better target the much-needed support and allow time for a proper review."

Earlier today (September 2), think tank the Resolution Foundation published a stark warning that real incomes for Britons are likely to fall by an average 10 per cent over the next two years, if the new PM takes no definitive action.

Already brokers and financial advisers have warned of serious affordability issues for millions of people in the UK as energy bills are likely to jump at least 80 per cent over the winter, as reported by FTAdviser.

This is not only affecting households, but businesses and care homes - as reported by Sky News, one group of care homes providers said their bills have been quoted at over £1mn for the winter - a shocking rise on the usual £90,000 they pay.