

# Latest on future of energy support scheme as Chancellor set to meet business groups

Business groups are set to meeting with [Chancellor Jeremy Hunt](#) today over government plans for help on energy bills for businesses.

There are fears the support will be halved after the current scheme ends.

Mr Hunt is understood to be calling a lunchtime meeting with the Federation of Small Businesses, UK Hospitality, the CBI and the British Chambers of Commerce.

## Clarity needed

It comes as calls mount for urgent clarity after the Government delayed setting out details that were originally due before the new year.

The current scheme – which caps wholesale energy prices on electricity and gas at about half the expected market price – ends in March.

Households have already been told that their bills will be capped until April 2024, albeit at a higher rate than the current £2,500 annual cost, while firms have been kept in the dark.

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## What will happen after March?

Mr Hunt is said to be [considering plans to keep support in place for all UK companies](#) after the existing scheme draws to

a close, in what would mark a U-turn on aims to target only the vulnerable sectors.

The revised scheme is expected to offer help with bills for a further year, until March 2024.

But it is thought that business energy support will be significantly cut to reduce the burden on Britain's battered public finances as the cost of the current six-month scheme is seen as being unsustainable.

## **When will we find out?**

It is understood that final details on the new package are likely to be announced next week.

Mr Hunt had promised to give firms certainty over future plans for support by the new year, saying last month the announcement would come just before or just after Christmas.

Business groups have been left furious over the delays, which adds to uncertainty at a time of rocketing prices, the impact of strikes and a gloomy wider economic picture.

Mr Hunt said at his autumn budget in November that the Government would have to target support only at the most vulnerable industries and would likely also have to lower the aid they receive.

## **What do business groups say?**

Business groups railed against the plans, warning over job losses and company failures if universal support is withdrawn.

While ongoing help for all companies is set to be welcomed, there are concerns over a drastic cut to support.

The chief executive of the Chemical Industries Association said there would be "widespread concern" over a significant reduction in the level of support for energy intensive

industries.

Asked on BBC Radio 4's Today programme how concerned the association's members are that energy support will fall, Stephen Elliott said: "Only last week we actually got confirmation that some businesses were actually included within the scope of that relief, so it's taken time for some clarity."

He added: "We're very interested to learn about what will happen from the end of March."

"Throughout 2021, and pre the Russian invasion, we've been looking for more targeted support with Government," he said, adding: "I think more can be done for a targeted intervention for energy intensive sectors such as chemicals."

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