

Chancellor 'mooting plans to extend energy support for all firms'

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Chancellor [Jeremy Hunt](#) is reportedly considering plans to keep energy bill support in place for all UK companies after the current scheme closes, in what would mark a U-turn on aims to target only the vulnerable sectors.

The [Government](#) is looking at extending the support past March, but with capped power prices at a lower level than that under the existing Energy Bill Relief Scheme, according to the Financial Times.

It would see the Government scrap previously announced aims to switch to targeted aid and is said to be as a result of the difficulty in deciding which sectors should continue benefiting and which should not.

The report comes amid mounting calls for clarity on what support will be available to businesses after the current scheme – which caps wholesale energy prices on electricity and gas at around half the expected market price – ends on March 20.

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The Federation of Small Businesses (FSB) has warned that a hard end to the bills relief scheme would force tens of thousands of small firms to close or downsize.

Its recent research found that nearly a quarter (24%) of small firms plan to close, downsize or restructure if energy relief ends from next April.

The Government has pledged to give businesses certainty over plans for support after the current scheme ends by the new year, with the Chancellor saying earlier this week the announcement would come just before or just after Christmas.

He said at his autumn budget last month 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, given that the estimated £29 billion cost of the current six-month scheme is seen as being unsustainable.

Meanwhile, households have been told their bills will be capped until April 2024, albeit at a higher rate than the current £2,500 annual cost.

But business groups have railed against the plans, warning over job losses and company failures if universal support is withdrawn.

FSB national chair Martin McTague said earlier this week: "More than 16 million jobs are in small firms.

"Our members are telling us their businesses as well as their staff are dependent on Government support in this energy price crisis."

The Treasury was not immediately available for comment.