

Next PM 'right' to wait to weigh up options to ease cost of living – minister

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Cabinet minister has said it is “right” that the next prime minister waits until they take office to weigh up “all of the options” to combat the cost-of-living crunch.

Environment Secretary [George Eustice](#) insisted people “don’t have long to wait” for news on what further action Boris Johnson’s successor will take to tackle spiralling prices, with less than a week for Tory members to cast their votes for a new leader.

Mr Eustice said both leadership candidates have already set out “some specific things” they would do to ease the burden, but added it is right that whoever secures the keys to No 10 will “want to look at all of the options properly costed” once they start in the role.

You don’t have long to wait, there will be a new prime minister in place in 10 days or so

It comes after the Chancellor suggested those earning around £45,000 annually could struggle to cope with soaring living costs as households prepare for another painful price hike in fuel bills over the winter.

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[Nadhim Zahawi](#) said things will be “really hard” for middle-earners, as well as society’s most vulnerable, as the energy price cap is set to rise by 80% by October, pushing the average household’s yearly bill up from £1,971 to £3,549.

Speaking to BBC Radio 4’s Today programme on Saturday, Mr Eustice said: “We announced a package of measures in June which was a £400 rebate for everyone, and then additional support for the most vulnerable.

“Both candidates have said they will do more. You don’t have long to wait, there will be a new prime minister in place in 10 days or so.

“And that is the point at which that new prime minister should look at the options and make decisions, and they’ve both made clear that this will be absolutely at the top of their in-tray.”

He added: “I think it’s right that when they become prime minister, whoever it is, they will want to look at all of the options properly costed and to understand the impact of each of those options.”

Industry regulator Ofgem warned the Government it must act urgently to “match the scale of the crisis we have before us” as Britain faced the bleak news of the price cap hike on Friday.

The i newspaper later reported Tory leadership contender [Liz Truss](#) was set to give extra winter fuel payments to pensioners

to ease the burden, despite in the past insisting she was focused on tax cuts rather than “handouts”.

Her rival [Rishi Sunak](#) has already said he will provide additional support targeted at the most vulnerable.

(PA Graphics) / PA Graphics

He reiterated this in an article for The Times on Saturday, arguing efforts should be focused on low-income households and pensioners, with help delivered through the welfare system, winter fuel and cold weather payments.

He said it is “right to caution against providing definitive answers before getting into Downing Street”, as it is “responsible” to first have “full command of the fiscal situation”.

However, he acknowledged that providing “meaningful support” would be a “multibillion-pound undertaking”.

Mr Sunak also used the piece to take a swipe at Ms Truss’s “risky” strategy of “ill-targeted tax cuts”.

He wrote: “Right now, Conservative members face a critical choice too: who is the best candidate to lead our country through these difficult times and on to a better future?”

“Their choice is between someone who will grip inflation, not exacerbate it and prioritise support for the winter with a clear plan for how to do so.”

Energy price cap: default tariff / PA Graphics

Ms Truss has promised “decisive action” to deliver “immediate support” if she wins the contest.

But she has so far been vague about what form this assistance might take besides slashing green levies on energy bills and reversing the controversial national insurance hike.

She has argued it is not “right” to announce her full plan

before the contest is over or she has seen all the analysis being prepared in Whitehall.

Senior Tory MP [Robert Halfon](#), who is backing Mr Sunak, said on Saturday that whoever takes the reins in No 10 needs to perform a “huge-scale” intervention.

In an interview with GB News, Mr Halfon called for a new “social tariff” for vulnerable families and those who are “just about managing”.

Mr Zahawi has declared he is working “flat out” to draw up options for a plan of action for the next PM so they can “hit the ground running” when they take office in September.

In an interview with The Daily Telegraph, he said he was exploring ways to ensure “we help those who really need the help”.

“My concern is there are those who aren’t on benefits,” he said.

“If you are a senior nurse or a senior teacher on £45,000 a year, you’re having your energy bills go up by 80% and will probably rise even higher in the new year – it’s really hard.

“If you’re a pensioner, it’s really hard. So Universal Credit is a really effective way of targeting, but I’m looking at what else we can do to make sure we help those who really need the help. We’re looking at all the options.”

The newspaper said he refused to rule out freezing the energy cap as suggested by Labour, insisting “nothing is off the table”.

He also reportedly said he was weighing up potential action to help small firms including Covid-style cuts to VAT and business rates to support the hospitality and leisure sectors.

“If we don’t help those small and medium enterprises, my

concern is the scarring effect, the longer-term scarring effect on the economy," he said.

"So what we did on business rates, what we did on VAT for particular sectors like hospitality. So we're working up all those options to look at those."

Another option is granting large loans to energy suppliers to help cut bills by up to £500 a year, the newspaper said.