Options for cost of living help will be ‘ready’ for new PM, says chancellor

Chancellor Nadhim Zahawi has said options to provide additional help to people to ease cost of living pressures will be “ready to go” on 5 September – but said it will be up to the new prime minister to take decisions on the matter.

Speaking to Sky News, Mr Zahawi said either of the two Conservative leadership candidates – Liz Truss and Rishi Sunak – will be able to “hit the ground running” when elected.

But he suggested that Boris Johnson, the outgoing prime minister, will not introduce any new policy to tackle living costs while he remains in post.

“My message to families today is: we will have those options ready to go,” Mr Zahawi said.

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“Yesterday I met with the industry to look at what more we can do on direct debit, on pre-payment meters, all the things that families are worried about.

“We’re making sure we’re doing the work so on 5 September the new prime minister can hit the ground running and get those things into place.”

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Asked if extra direct grants to families this winter are inevitable, Mr Zahawi said: “We’re looking at all the options

of what additional help we can deliver for families to get them through the winter – £37bn, we're midway through that actual delivery."

On Thursday, Mr Johnson doubled down on his insistence that it is for the next prime minister to make financial decisions after talks with energy bosses ended with **no new measures to ease the cost of living crisis**.

However, speaking after the meeting, the prime minister said he would continue to urge the energy sector to ease the financial pressures facing struggling families.

Energy analysts have predicted that typical energy bills could rise to approximately £3,500 in October and **more than £4,200 in January.**

While a new report suggests that energy bills are set to cost more than two months of average take home pay next year unless the government intervenes.

Mr Johnson's successor will not be announced until 5 September.

Last night, Tory leadership hopeful **Mr Sunak unveiled a plan to slash rising energy bills for up to 16 million vulnerable people** which he hopes will propel him to 10 Downing Street.

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2:40

Crisis talks with energy bosses

In a dramatic move as his Tory leadership clash with Liz Truss becomes increasingly bitter, he is said to be prepared to find up to £10bn to cut bills for poorer households.

And in a swipe at his opponent, the former chancellor declared in an article in The Times: “Whatever the ‘boosterish’ talk of others, you can’t heat your home with hope.”

According to The Times, Mr Sunak accepts that his plan to cut VAT on energy bills would cost £5bn, and he would now also find up to £5bn more to help those most vulnerable to rising prices.

He also predicted that as energy prices continue to rise, the government would have to raise more money from a windfall tax on energy companies, a move rejected by Ms Truss at the latest leadership hustings in Cheltenham.

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Liberal Democrat leader Sir Ed Davey called the lack of extra support being offered to families and pensioners following the meeting with industry bosses on Thursday "appalling".

And Labour has accused the government of being "missing in action".

"Families are worried about how they will pay their bills. But instead of showing leadership, the Conservatives are missing in action," said Ed Miliband, shadow secretary of state for climate change and net zero.

"The prime minister and chancellor have gone AWOL, whilst the candidates for the leadership have no substantive ideas about how to help working people meet the challenges they face."

Labour leader Sir Keir Starmer will be visiting Edinburgh on Friday, where he is expected to speak about some of the elements of **the party's proposals to help people with rising energy bills**, before a full announcement next week.

The party has unveiled a prepayment meter policy which it says

would help to bring prepayment energy prices into line with those for direct debit customers and provide relief to an estimated four million households.

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2:46

How does UK support compare on energy bills?

Sir Keir has come under fire over the last few weeks for taking a holiday at a time of national crisis, with former Labour leader Gordon Brown having made three interventions outlining steps he would take to ease the burden of the cost of living crisis while he was away.

But shadow business secretary Jonathan Reynolds stressed to Sky News this morning that Labour “do have a very clear plan” which includes a windfall tax on oil and gas firms.

Meanwhile, Work and Pensions Secretary Therese Coffey, who is

backing Liz Truss in the ongoing Tory leadership campaign, said “all options will be considered” when asked if the government is looking at offering handouts to those being impacted the hardest by rising living costs.