Savage UK energy bills pauperise millions, threatening many deaths

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Within hours of UK average household annual energy bills shooting up Friday by a staggering 80 percent to £3,549 a year, latest projection from independent forecasters are for savage rises to £5,400-a-year in January and to £7,200 by April.

The latest rise already makes bills unaffordable for many. The annual energy price cap as recently as October 2020 was £1,042.

The price cap is set by energy regulator Ofgem. The overall costs cited in the media are based on typical usage on a default (standard variable) tariff. But in reality there is no upper limit for the 24 million households in England, Scotland and Wales. The cap only puts an upper limit on the price per kilowatt hour (kWh) used, which has now risen from 28 pence to 56 pence per kWh. It is predicted that for many households, particularly large families with extra energy needs, next April’s energy cap increase could see them paying £10,000 or more for their annual fuel use.

According to research by the Trades Union Congress, energy bills in the last three months of this year will soar 35 times faster than wages and 57 times faster than benefits. While monthly bills could be around £500 a month in January for those on an average tariff; for around 4 million mainly poor households forced to use pre-payment meters, bills will rise faster still. The Resolution Foundation think tank predicted that for prepayment meter users, “Typical energy bills in January alone could hit £714—over half of their monthly disposable income.”

A low-income family will be forced to hand over 46 percent of their income on energy bills, four times more than last year. For a single parent family on a low income, 66 percent of their income will go on energy. A pensioner will lose 40 percent of their disposable income on energy bills and a single adult on a low income faces a plunge into debt, losing a staggering 120 percent of their income to pay energy bills. Vulnerable layers, including the 75 percent of already indebted households with a disabled person will go under.

The rise in prices is plunging many households into penury, unable to shop, heat their homes, or even wash.

Last week, National Health Service chiefs made an extraordinary intervention, warning the Conservative government that thousands will die due to unaffordable energy bills. At least 10,000 people already die annually in Britain as a result of “fuel poverty”.

Fuel poverty charity National Energy Action (NEA) said that compared with a year ago, the number of households in fuel poverty would double to 8.9 million in October. NEA chief executive, Adam Scorer, warned, “We will have a million more homes that will not be heated this winter… that leads to more ill-health, it leads to more death.”

In April and May, financial expert Martin Lewis warned that unless people were fed and able to keep warm, there would be civil unrest. His prognosis in May was based on projections of bill rises “in the middle of October to £2,600 in the middle of winter…” The October rise to £3,549 announced already dwarfs Lewis’s worst case prediction and the rise in January of up to £5,400 will bring the suffering of millions to unheard of levels.

Speaking on Friday to BBC Radio’s Today programme, Lewis said, “I’ve been accused of catastrophising over this situation. Well, the reason I have catastrophised is this is a catastrophe, plain and simple.”

The rise in bills is a significant factor in the surge in inflation with the most accurate measure RPI at nearly 12.5 percent, with estimates from US financial service group Citi that it will soar to 21 percent in the first quarter of 2023.

Meanwhile, price gouging means Britain’s main energy suppliers have raked in super-profits of over £15 billion this year so far this year. The Edinburgh-based Harbour
Energy PLC, the UK’s largest independent oil and gas business, has recorded a gigantic 12-fold increase in profits. Last week it announced that half-year profits for 2022 had reached $1.3 billion and that it would pay out an extra $200 million to shareholders.

A Unite union report, “Corporate Profiteering and the Cost of Living Crisis” noted, “Even excluding energy firms, profits of the UK’s biggest listed companies increased by 42%... The average profit of the 230 non-energy FTSE 350 companies, excluding investment trusts, that have filed 2021 results increased to £385m in 2021, up from £271m in 2019.”

Energy costs are rising exponentially throughout Europe, but UK corporations are still outliers. The euronews website reported, “Even before today’s hike was announced, UK households faced some of the highest prices in Europe—nearly double France. Only the Czech Republic was higher than the UK, which was followed by Italy and Estonia.”

The British ruling elite is impervious to demands that immediate relief be made available to alleviate suffering, with the energy conglomerates refusing to give up a penny. From the ruling class the message is: “There is a war in Europe which Britain is in up to its neck, we are handing over billions in military aid to Ukraine and it has to be paid for by the working class.”

Speaking from Kiev last Wednesday to mark Ukrainian independence day and wallow in the continuation of NATO’s proxy war, outgoing Prime Minister Boris Johnson declared, “We know that if we’re paying in our energy bills for the evils of Vladimir Putin, the people of Ukraine are paying in their blood.”

Armed Forces Minster James Heappey said that backing Ukraine’s war against Russia means that a “really expensive winter lies ahead” and has to be borne by working people, “whatever the short-term pain and cost might be”.

On Sunday, Chancellor Nadhim Zahawi doubled down declaring, “The reality is that we should all look at our energy consumption. It is a difficult time. There is war on our continent.... We have to remain resilient.”

 Thatcher clone Liz Truss, who is expected to be named the new Tory leader and replace Johnson as prime minister in a week’s time, is offering nothing in the face of the pauperisation of tens of millions. Even the Conservative-backing Sun newspaper was forced to criticise her energy “plan” that is based on scrapping a few green levies and will save households just £11 a year!

There are only plans for repression as anger grows among millions, expressed in a growing strike wave. Rupert Murdoch’s tabloid wrote, “As the crisis spirals, the Sun on Sunday can reveal ministers are planning for a cost of living crime wave and possible riots.

“Government officials have drawn up plans to cope with mass unrest as energy bills soar.”

The Socialist Equality Party advances a policy that places social needs before corporate profits.

- Household energy prices must be slashed immediately so no household faces ruinous bills. The super-profits recorded by the oil, gas and other energy companies must be expropriated and placed in a publicly controlled fund for the immediate relief of the poorest households.

- The UK population and workers throughout the world are being held hostage to the rapacious appetites of vast energy conglomerates that threaten the globe with declining living standards, environmental destruction and war. This stranglehold must be broken by transforming the main energy conglomerates into publicly owned and democratically controlled utilities.

- In opposition to the enrichment of the financial oligarchy, the exploration, development and use of energy supplies must be guided by a rational international plan that is publicly debated and democratically approved by the working class. This plan must meet the needs of the world’s people for low-cost, environmentally safe and renewable energy. It must be realised as a part of a planned socialist economy in which access to affordable energy, housing, health care, education and nutritious food are a basic right for all workers and their families.

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