



Public Accounts Committee

The Rt. Hon. Grant Shapps MP
Secretary of State
Department for Energy Security and Net Zero
1 Victoria Street
London
SW1H 0ET
By email: Secretary.State@energysecurity.gov.uk

21 April 2023

CONTINGENT LIABILITY NOTIFICATION - ENERGY BILLS DISCOUNT SCHEME

Dear Secretary of State,

Thank you for your letter of 27 March 2023 notifying me of a new contingent liability arising from the Energy Bills Discount Scheme (EBDS).

On the basis of the information contained in your letter, I can confirm that I have no issues to raise on the nature of the contingent liability arising. However, I note that both the Departmental Minute and the [Written Ministerial Statement](#) set out that future costs for delivery of EBDS can only be projections dependent on energy usage levels and changes in wholesale prices. There is no mention of the £5.5 billion cap which was included as part of the [announcement](#) of the scheme in January 2023. Has this cap now been removed? And if so, can you provide me with your latest estimate of the potential exposure to taxpayers of EBDS?

I am also very disappointed that the House was not notified sooner and as a result was not able to observe the full 14 day sitting period to scrutinise the details of this contingent liability, particularly since details of EBDS were first set out back in January 2023. This matter was urgent but well trailed and planned. It would have been entirely reasonable to provide an early warning of a possible missed deadline rather than simply failing to inform Parliament in time and according to the letter and spirit of *Managing Public Money*. This is the second time in the short life of your Department that I have been notified of contingent liabilities without sufficient allowance to observe 14 day Parliamentary sitting period. In both cases the justifications do not strike me as reasonable.

Can you please offer me your assurance that your Department will take every step to ensure this Committee is notified promptly, and in line with the timescales set out in *Managing Public Money*, of contingent liabilities to facilitate proper Parliamentary scrutiny. I request that you respond to this letter by the time the House returns from the Coronation Recess.

I shall be copying this letter to the Chair of the Business, Energy and Industrial Strategy Committee, Darren Jones, the Comptroller and Auditor General and the Treasury Officer of Accounts.

Yours sincerely

Dame Meg Hillier MP, Chair of the Committee of Public Accounts