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THE RT HON JOHN HEALEY MP
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Dear John Healey

This summer was the hottest on record in the UK. Relentless heatwaves, made 130 times more likely due to fossil fuel-driven climate change, were responsible for thousands of excess deaths, school closures, record wildfires and pushing public services to breaking point. At the same time, the world's five leading oil companies recorded profits equivalent to $535 million every day in Q2 2026.

We, as the leaders of 25 civil society organisations working across climate, fuel poverty, just transition and tax, are writing to ask you to rule out bringing the Oil and Gas Revenue Levy (OGRL, formerly the OGPM) forward from 2030, and to strengthen - not weaken - North Sea taxation. New analysis by Global Witness has found that the proposed OGRL, as currently designed, would raise billions less than the windfall tax it replaces. At $70/ barrel, it would collect nothing at all**, compared with £4.6 billion under the current levy by 2030; at 100$/ barrel, it would raise £8.6 billion less than the current levy.**

The windfall tax was introduced in response to strong public calls to capture unearned windfall profits of the oil and gas sector, which have benefited exponentially from global instability. Eight in ten voters fear rising bills, and the majority say that ending the Windfall Tax now would be the wrong thing to do. If this critical lever is removed, as the industry is asking, there would be a guaranteed, multi-billion-pound hit to the Exchequer. The energy crisis and climate crisis are both putting enormous financial strain on households, businesses and public services. Providing oil and gas companies with a tax cut at this moment would be entirely counterproductive to this Government's rightful focus on affordability, and break trust with voters across the board.

WE ASK YOU TO TAKE THE FOLLOWING STEPS INSTEAD:

CLOSE THE LOOPHOLE IN THE EPL EXPOSED BY THE ADURA DEAL

When Shell and Equinor merged their North Sea operations to become Adura, Shell secured access to £1.3bn of Equinor's historic tax losses, which Shell is now able to use as a tax shelter against UK tax bills. Rather than creating critical tax revenues as the industry claims they will, Shell paid effectively no UK tax on North Sea drilling in 2024 in a year where the firm paid £18.2 billion to their shareholders. **Given that the EPL is a temporary tax, we urge you to close the loss-carry forward loophole in the EPL which allows tax avoidance, and to refer the Adura deal to HMRC for review.**

REFORM THE OGRL TO MATCH EPL REVENUE PROJECTIONS BEFORE 2030, AND PREVENT HUGE TAX LOSSES

As set out at the top of this letter, the OGRL, scheduled to replace the EPL in 2030, is set to provide a significant tax cut to the oil and gas industry, with treasury revenues greatly diminished relative to the predecessor regime. **The government should reform the OGRL by lowering the threshold which triggers the levy and introducing a graduated rate schedule to ensure that predicted revenues at least match the EPL across all price scenarios.**

Offshore Energies UK (OEUK) has claimed that introducing the OGRL in January 2027 could deliver an additional £14.9 billion in tax receipts over the next decade. However, only £2.4 billion is attributed to taxes paid by oil and gas companies themselves; the remaining £12.5 billion is projected revenue from employment.

Without accompanying analysis, it's unclear what job projections are used to make these estimations. OEUK claims that the oil and gas industry supports around 180,000 jobs, which includes wider economy roles like hairdressers and hospitality workers, with only 28,200 of these jobs being direct.

Additionally, potential for significant increases in employment should be treated with caution. Before the EPL was introduced, following tax cuts in 2015 and a policy environment favouring "maximum economic recovery" of North Sea reserves, no such uplift in employment occurred. Instead, according to ONS figures, British oil and gas jobs fell 28% over the same period (despite oil and gas companies spending over £130 billion building and running North Sea fields between 2015 and 2022), while renewables jobs rose 32%.

After decades of extraction, the North Sea is a hyper-mature basin approaching the end of its productive life. The way to protect oil and gas workers - and the communities supported by the industry - is to invest in renewables and other industries that have a long-term future, such as offshore wind manufacturing and decommissioning, and support UK energy workers to transfer into these jobs.

As one of the few industries that has profited from the very same fossil fuel price spikes that have seen households and businesses suffer, we were dismayed to see it continue to lobby for a tax cut. Giving in to this demand would ask more from ordinary workers while people across this country are already struggling and run contrary to the principle that those with the broadest shoulders should contribute the most - a principle the Government has committed to and the public consistently backs.

We would welcome the opportunity to discuss this analysis with you or your officials ahead of any decision on the OGRL's timeline.

Yours sincerely,

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Areeba Hamid, Co-Executive Director, Greenpeace UK

Simon Francis, End Fuel Poverty Coalition

Dave Hillman, Director, Stamp Out Poverty

Faiza Shaheen, Executive Director, Tax Justice UK

Patrick Brown, Executive Director, Equal Right

Elizabeth Bast, Executive Director, Oil Change International

Dr. Lorna Gold, Executive Director, Laudato Si' Movement

Lorna Powell, Co-director, Mothers Rise Up

Mark Francis, Local Groups Co-ordinator, Christian Climate Action

Duncan Harbison, Tipping Point UK

Asad Rehman, Chief Executive, Friends of the Earth England, Wales and Northern Ireland.

Suzanne Jeffery, Chair, Campaign against Climate Change

George Dow, Chair, Green Christian

Tahir Latif, Secretary, Greener Jobs Alliance

Paul Parker, Recording Clerk, Quakers in Britain

Revd Dr Darrell Hannah, Chair, Operation Noah

Louise Hazan, Co-Director, Tipping Point UK

Dr Amy McDonnell and James Sutton, Co-Exec Directors, Zero Hour

Claire Larkin, CEO, Parents For Future Scotland

Nick Dearden, Director, Global Justice Now

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