

Christopher Thackray

3<sup>rd</sup> March 2022

Mr Rishi Sunak MP  
Chancellor of the Exchequer  
11 Downing Street  
London  
SW1A 2AB

Dear Mr Sunak,

**RE: Walking into a cost-of-living crisis**

In my letter to you dated 7<sup>th</sup> February 2022, I raised concerns regarding the persistent inaccuracy of the Bank of England's inflationary forecasts alongside the UK Government's apparent lack of preparedness to financially support vulnerable people exposed to the cost-of-living crisis. Subsequently, short- to medium-term inflationary risks have continued to rise, spurred by escalating geopolitical tensions. To encourage a more pre-emptive Government response to any further decline in the cost-of-living crisis, I urge you and your office to begin preparations – if not already - to offer additional financial support to vulnerable people who will be pushed into or near to poverty.

Russia's invasion of Ukraine and the effect of targeted sanctions imposed by western nations on Russian industries and businesses presents further significant inflationary risk across energy markets, as well as industrial minerals and raw materials where Russia is a significant supplier. Please do not misinterpret my intentions, which are in no way critical of the sanctions being imposed.

The compounded effect of the UK's cost-of-living crisis is becoming clearer. A survey conducted by The Food Foundation identified 59% of UK households are worried increased energy prices will mean they have less money to afford enough food for their family. Crisis and Heriot-Watt University have estimated an additional 66,000 people will be homeless by 2024. These statistics alone are harrowing and underscore the severe effect the cost-of-living crisis is having on households up and down the country.

Alongside the proposed actions set out in this letter, and as stated in my previous correspondence, the Treasury should initiate an independent investigation to assess the effectiveness and balance of economic forecasting and monetary policy tools used by the Bank of England to forecast and control inflation. The cost-of-living crisis was not an uncontrollable or unforeseen crisis.

I ask your reply to this letter set out the Government's preparatory actions to help alleviate the worsening effects of the cost-of-living crisis on vulnerable people and households across the UK.

Yours sincerely



Christopher Thackray

Enclosed –Letter dated 7<sup>th</sup> February 2022

CC – Kwasi Kwarteng MP, Secretary of State for Business, Energy and Industrial Strategy  
CC – Andrew Bailey, Governor of the Bank of England