

Green MP calls on chancellor to end £2.7bn tax breaks for fossil fuel companies after BP posts \$2.21 billion quarterly profit

Green MP Carla Denyer has called on Rachel Reeves to end tax breaks for fossil fuel companies amounting to £2.7 billion a year and instead fund a 'jobs guarantee' to support workers currently employed in oil and gas to move into jobs in renewable energy.

As figures showed that energy giant BP made a profit of \$2.21 billion in the 3rd quarter of 2025, Denyer wrote to Reeves and [launched a petition](#) calling on the chancellor to make the change.

In her letter [1], Denyer wrote:

Tax breaks on fossil fuel production is currently estimated to amount to [£2.7 billion per year](#). Meanwhile these same companies continue to provide billions of pounds worth of shareholder payouts, all whilst laying off large sections of the workforce.

Speaking about the issue, Carla said:

"Right now, the government is propping up the declining oil and gas industry by giving oil and gas producing companies massive tax breaks – to the tune of £2.7 billion every year. Meanwhile these same companies have paid billions of pounds to their shareholders, all whilst laying off large sections of the workforce.

"This scandal has to end. Instead of wasting money supporting an industry in decline, the government should invest in creating jobs and supporting workers instead. This should include a Jobs Guarantee for those currently working in high-carbon industries like oil and gas, that ensures they can find equivalent alternative employment or funded retraining.

"It's time for the government to take real action – end tax breaks for fossil fuel companies, and back workers instead."

Notes

1. The full text of the letter:

Dear Chancellor,

I am writing to you ahead of the Autumn Budget to request that you end tax breaks for fossil fuel production and direct part of the additional revenue this would generate to provide a targeted jobs guarantee for oil and gas

workers.

Tax breaks on fossil fuel production is currently estimated to amount to [£2.7 billion per year](#). Meanwhile these same companies continue to provide billions of pounds worth of shareholder payouts, all whilst laying off large sections of the workforce.

So, while I welcome the increase and extension of the Energy Profits Levy (EPL), including scrapping the oil and gas investment loophole, and the Government's decision to join the 'Coalition on Phasing Out Fossil Fuel Incentives Including Subsidies' – more can and must be done.

Last month the joint intelligence committee warned that the climate crisis is a national security threat, and earlier this year, in one seven-day heatwave alone, an [estimated 570 people](#) died from heat-related deaths in England and Wales. It's clear that there is no other option but to transition away from fossil fuels, and towards renewables, at speed.

Further, the North Sea basin's reserves are in terminal decline and as a result the number of jobs supported by the oil and gas industry in the UK has halved in the last decade. This is despite the UK government continuing to provide tax breaks to the industry and issue new drilling licences.

It is clear that providing tax breaks for fossil fuel production is not protecting jobs. Nor is it compatible with the UK's climate goals.

Whilst we all recognise that fossil fuels will have a temporary role to play in this transition, continuing to prop up the declining fossil fuel industry will only slow progress towards building the renewable energy system of the future, creating secure, unionised jobs here in the UK.

Part of the additional revenue created by ending these tax breaks could fund an emergency package of measures for oil and gas workers, such as those outlined in my [Private Members Bill](#): the Energy and Employment Rights Bill. These include jobs and rights guarantees, public investment to create good quality jobs, and free training to enable workers to move into them.

With COP negotiations fast approaching, it is vital that you use the opportunity of the Autumn Budget to show global leadership: end financial support to fossil fuel production and fund a workers transition package.

Yours sincerely,

Carla Denyer

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