

Agenda Item 12b

Ordinary Council Meeting of: 19 July 2022
Bosher/Gosling

AGENDA ITEM 12 (b) - Cost of Living Emergency

Amendment:

Para 2, starting 'This Council notes...' - delete and replace with:

This Council notes that the Conservative Government

- Has Launched a Plan for Jobs, helping people earn more and gain the skills our economy needs, through our £2 billion Kickstart Scheme; £2.9 billion Restart Scheme; and our Lifetime Skills Guarantee, we are helping people into work. And our Way to Work campaign which helped over 500,000 people into work.
- Increased the National Living Wage by 6.6 per cent to £9.50 an hour, meaning an extra £1,000 a year for a full-time worker.
- Delivered a £1,000 effective tax cut for nearly 2 million families to make sure work always pays, through our cut to the Universal Credit taper rate and increase to work allowances.
- Is cutting the basic rate of Income Tax to 19p from 2024, delivering a £5 billion tax cut for over 30 million workers, savers and pensioners, the first Income Tax cut for 16 years.
- Cutting business employment taxes now, delivering a tax cut worth £1,000 for half a million businesses, by raising the Employment Allowance to £5,000.
- Delivering a non-repayable £150 cash rebate for homes in Council Tax bands A-D – equivalent to 80 per cent of all households, helping both lower and middle-income families.

Para 4, starting 'In light of...' add to the end ' This Council acknowledges the doubling of the October £200 rebate on energy bills for all households to £400 and turning it into a grant, supporting all hard-working families with their energy bills with a non-repayable grant.'

Para 6, currently starting 'In June petrol prices...' - Add to the beginning ' Notwithstanding the cutting fuel duty by 5 pence'

The amended motion to therefore read:

This Council Declares a Cost of Living Emergency

Thousands of people here in Portsmouth are facing impossible choices as energy and food prices spiral out of control. This isn't just making it difficult for local people to make ends meet, in many cases it is making it impossible.

This Council notes that the Conservative Government

- Has Launched a Plan for Jobs, helping people earn more and gain the skills our economy needs, through our £2 billion Kickstart Scheme; £2.9 billion Restart Scheme; and our Lifetime Skills Guarantee, we are helping people into work. And our Way to Work campaign which helped over 500,000 people into work.
- Increased the National Living Wage by 6.6 per cent to £9.50 an hour, meaning an extra £1,000 a year for a full-time worker.
- Delivered a £1,000 effective tax cut for nearly 2 million families to make sure work always pays, through our cut to the Universal Credit taper rate and increase to work allowances.
- Is cutting the basic rate of Income Tax to 19p from 2024, delivering a £5 billion tax cut for over 30 million workers, savers and pensioners, the first Income Tax cut for 16 years.
- Cutting business employment taxes now, delivering a tax cut worth £1,000 for half a million businesses, by raising the Employment Allowance to £5,000.
- Delivering a non-repayable £150 cash rebate for homes in Council Tax bands A-D – equivalent to 80 per cent of all households, helping both lower and middle-income families.

Fuel:

On 1 April 2022, Ofgem increased the energy price cap by 54 per cent.

In light of the increased energy price cap, the average standard tariff energy bill will increase by £693 per year. The average pre-pay meter energy bill will increase by £708 per year (Ofgem, 2022). This Council acknowledges the doubling of the October £200 rebate on energy bills for all households to £400 and turning it into a grant, supporting all hard-working families with their energy bills with a non-repayable grant.

Tax reliefs announced by the government are only for investing in "UK extraction", ie. fossil fuels. This move is encouraging more investment in North Sea oil and gas extraction, while not accelerating energy decarbonisation plans.

Notwithstanding the cutting fuel duty by 5 pence in June petrol prices inched towards £2 per litre, affecting many families and front line workers as well as local businesses

Household income:

On 6 April 2022, the Government increased National Insurance by 1.25 percentage points, which is projected to cost the average Portsmouth family an additional £108 per year

The Government has suspended the pensions 'triple lock' for 2022/3, meaning that Portsmouth's 31,000 pensioners will see a rise of 3.1 per cent this year (instead of 8.3 per cent under the triple lock formula). This year, this will cost an average of £487 to someone on the full new state pension and an average of £373 to someone on the full basis state pension (TUC, 2022)

In the face of rising prices and reduced income, from June 2021- June 22 Portsmouth foodbanks distributed over 5,000 food parcels to feed 10,000 people, with a continuing upward trend in demand

Council welcomes the steps the Lib Dem administration is taking to deal with this crisis, for instance by offering

- £75 for every child eligible for free school meals, 2 year old childcare funding or early years pupil premium this term
- £100 for every pensioner household on council tax support and/or Pension Credit and helping the voluntary sector support those missing out
- Grants for foodbanks, community meals, larders and pantries so they can help people in need
- Help for those who need food, face unaffordable rent costs or rent arrears or are in the rough sleeping pathway
- Grants for voluntary groups helping those in need

In particular, Council welcomes the financial and other support given by the Lib Dem administration, HIVE Portsmouth, local churches and Penny Mordaunt MP to foodbanks, community larders and pantries across the city.

Despite these measures, this Council declares a 'Cost of Living Emergency' and calls on the Government to immediately:

Impose a windfall tax on the super profits of oil and gas companies and to use this to take an average of £600 off the cost of Portsmouth residents' energy bills this year.

Urgently review the energy cap regime in order to provide much greater protection to consumers, as other European countries have done.

Undertake an investigation into forecourt fuel prices, and put in place transparency on fuel taxes and independent regulation for solid fuels/ petrol and diesel.

Demonstrate a real and immediate investment in U.K. renewables and decarbonise the energy sector.

Immediately reduce the standard rate of VAT from 20% to 17.5% for one year, saving the average Portsmouth household a further £600 this year which would

1. Reduce inflationary pressure.
2. Reduce pressure on strained household budgets.
3. Help businesses to be better placed to adjust.

Immediately reintroduce the pensions triple lock to support Portsmouth's pensioners

Immediately re-introduce the £20 a week uplift for Universal Credit claimant

Proposed by (Name) _____ Councillor Simon Boshier

Signed _____

Seconded by (Name) _____ Councillor Lewis Gosling

Signed _____

AGENDA ITEM 12 (b) - Cost of Living Emergency

Amendment:

Para 11 - remove:-

“In particular, Council welcomes the financial and other support given by the Lib Dem administration, HIVE Portsmouth, local churches and Penny Mordaunt MP to foodbanks, community larders and pantries across the city.”

And replace with:-

“In particular, Council welcomes the financial and other support given by the Council, HIVE Portsmouth, local churches and politicians and supporters of all parties and none to foodbanks, community larders and pantries across the city.”

After para 9 “In the face of rising prices and reduced income, from June 2021- June 22 Portsmouth foodbanks distributed over 5,000 food parcels to feed 10,000 people, with a continuing upward trend in demand” insert:

“Pay:

Workers in the UK have already faced the longest squeeze on wages since the Napoleonic era and this is set to continue. Analysis of figures from the Organization for Economic Cooperation and Development (OECD), published by the TUC last week, found that average real wages in the UK are set to plummet by £1,750 between 2022 and 2023.

This is clearly an unsustainable trend which will plunge many people working in this authority into financial hardship.

Later this month local government employers are set to discuss the NJC pay claim submitted by the joint trade unions. The claim calls for the following;

- A substantial increase with a minimum of £2,000 or the current rate of RPI - whichever is greater - on all spinal column points. In addition:
- A Covid-19 recognition payment
- A national minimum agreement on homeworking policies for all councils and the introduction of a home working allowance

- An urgent review of all mileage rates currently applying
- A review and update of NJC terms for family leave and pay
- A review of term time only contracts and consideration of retainers
- Reduction in the working week (without loss of pay) to 35 hours (34 in London) plus one additional day of annual leave”

In Portsmouth local workers and their trade unions have been calling for the council to become an accredited Living Wage employer which would result in a pay rise for thousands of workers in outsourced and privatised services. This is one practical way the council could make a real difference to many local families and individuals struggling to get by on low wages.

Para 12 - after “Despite these measures, this Council declares a ‘Cost of Living Emergency’ and calls on the Government to immediately:” insert:

“Set an emergency budget to tackle the impact of inflation and the rising cost of living.

Immediately cut VAT on home energy bills and invest in insulating homes.

Cut business rates to support businesses through the cost of living crisis.

Bring Universal Credit in line with inflation and increase Universal Credit work allowances to help our poorest families.

Announce a long-term financial settlement for Local Authorities to help them support residents with the cost of living crisis.”

Para 19 - after "Immediately re-introduce the £20 a week uplift for Universal Credit claimant" insert:

"Council calls on the LGA to lobby government for additional funding ring fenced for the purpose of providing a significant pay award to Local Government workers to help them address the cost of living crisis and keep pace with inflation

"Council further reasserts its commitment, as expressed in the July 2020 Full Council meeting, to become an accredited Living Wage employer and expresses the wish to see plans for how this could be funded included in the council budget to be agreed later this municipal year"

The amended motion to therefore read:

This Council Declares a Cost of Living Emergency

Thousands of people here in Portsmouth are facing impossible choices as energy and food prices spiral out of control. This isn't just making it difficult for local people to make ends meet, in many cases it is making it impossible.

This Council notes that:

This government has consistently failed to address the cost of living crisis, at the scale required:

Fuel:

On 1 April 2022, Ofgem increased the energy price cap by 54 per cent.

In light of the increased energy price cap, the average standard tariff energy bill will increase by £693 per year. The average pre-pay meter energy bill will increase by £708 per year (Ofgem, 2022)

Tax reliefs announced by the government are only for investing in "UK extraction", ie. fossil fuels. This move is encouraging more investment in North Sea oil and gas extraction, while not accelerating energy decarbonisation plans.

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Council further reasserts its commitment, as expressed in the July 2020 Full Council meeting, to become an accredited Living Wage employer and expresses the wish to see plans for how this could be funded included in the council budget to be agreed later this municipal year.

Proposed by (Name) Councillor George Fielding

Signed _____

Seconded by (Name) Councillor Yinka Adeniran

Signed ____