

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 _____