

## **Cost of Living Motion – Councillor Banks**

### **Preamble**

A perfect storm of external factors are coming together on the horizon very quickly. The war between Russia and Ukraine will limit global food resources, the supply chain crisis due to Brexit has not been fixed, inflation in the UK is currently at 9%. October's Energy cap will increase fuel prices as we go into winter.

It is shocking and extremely worrying for many local residents across Lewes District on limited incomes, that Ofgem announced that the energy price cap could rise to £2,800 in October 2022.

Earlier this year on 1 April 2022, Ofgem increased the energy price cap by 54 per cent.

In addition to this, residents in "off gas grid" areas face uncapped price rises in heating Oil and Liquid Petroleum Gas (LPG).

This will affect families in rural areas who will be hit by rising fuel costs at the petrol pumps as well as in their heating bills.

Over the coming summer months, people face the average standard tariff energy bill increasing by £693 per year. Where the pain will be inflicted most heavily will be on already struggling families. The average pre-pay meter energy bill may increase by £708 per year (Ofgem, 2022). Pre-payment meters, which have the highest charge, are predominantly used by people with the least income. Those on lower incomes pay proportionately more for many services than the better off.

Economists are predicting that even before the fuel increase in the autumn the cost of living crisis is adding 3.5% of inflation to the household budgets of the poorest compared to the better off. (see note 1)

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

Council notes the decision taken in June 2022 to impose a 'Windfall Tax' on the super-profits of oil and gas companies and to redistribute this as a one-off payment of £400 to households later this year. Council believes it needs to go further and the Government should be targeting this money at those on the lowest incomes through the Cost of Living crisis.

Council understands that requests for food bank support have more than doubled since the start of the year across Lewes District and this continues to rise, including many new clients.

Additionally, a proportion of the population is unable to access advice and support or to apply for hardship funds via websites. The figure for digital exclusion nationally is between 20%- 25%. (see note 2)

Some people have no interest in being connected, others have poor digital skills, and others lack equipment and/or resources. Although the numbers of digitally excluded people is generally decreasing- there is concern that the Cost of Living Crisis will slow the decrease as households start to make budgeting decisions to prioritise the necessities of survival.

The extent to which access to financial support and advice through the internet is restricted among Lewes residents is not currently known, but data collection and knowledge of the problem must be a first step in making sure that those most in need are helped.

Council recognises that Lewes District Council has already taken steps to help residents across Lewes District, including:

- Creating a £750,000 Cost of Living Crisis Fund with £50,000 to be immediately allocated to help local foodbanks with an unprecedented surge in demand.
- Implementing a 100% Council Tax Reduction Scheme for those most in need
- Working with other East Sussex District Councils to deliver council housing retrofit programme which provides long term solutions.
- Started to collect data on digital exclusion and working on ensuring our telephone capacity is available to those that need it most.
- Linking with community support networks such as the Lewes District Food Partnership and the Emergency Food Network.

**Motion:**

This Council:

1. Recognises that more can be done and therefore declares a 'Cost of Living Emergency'.
2. It asks the Leader of the Council to write to Chancellor of the Exchequer to ask for Lewes District residents to get extra help and support by:
  - a) Immediately reducing the standard rate of VAT from 20% to 17.5% for one year, saving the average family £600.
  - b) Immediately restoring the Universal Credit supplement of £20 and doubling that uplift, which was cancelled by the Government in 2021; and reverses the cuts to Working Tax Credit.
  - c) Note the imposition of the 'Windfall Tax' on the super profits of oil and gas companies but raise the concern that this needs to be directed at those on the lowest incomes

- d) Extending free school meals to all families
- e) Urging the introduction of a price cap for LPG and heating oil under ofgem regulation while supporting alternative heating such as air source heat pumps.
- f) Call on the government to introduce a £25bn fund to enable Councils to insulate council homes and homeowners.

In addition, this Council will:

- a) Arrange a local Cost-of-Living Emergency Summit, with stakeholders, including Citizens Advice, Food Banks, Chambers of Commerce and Trade Unions and invite local MPs to attend this hybrid meeting
- b) Develop a Food and Fuel Action Plan that clarifies and captures all actions tackling the Cost of Living of Crisis to be developed.
- c) Examine the potential for strengthening any technical advice on the use of renewable heating sources such as air source heat pumps instead of fossil fuels in advance of the Local Plan being developed.
- d) Request the Policy Performance Advisory Committee to review the support that the Council has available to support those in council tax arrears.

Notes:

Note 1: [The Economist – A Guide to Britain’s Cost of Living Crunch, 21 April 2022](#)

Note 2 – [ONS Exploring the UK’s Digital Divide, 4 March 2019.](#)