

Eastleigh Borough Council Cost of Living Emergency Motion by Cllr Liz Jarvis

This Council notes that:

- On 1 April 2022, Ofgem increased the energy price cap by 54%.
- 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)
- The energy price cap is expected to rise by 42% in October.
- Latest ONS data shows that average households are now spending more than £5,780 a year on food, drink and clothing – £425 more than a year ago. Meanwhile record petrol and diesel prices mean that a typical Eastleigh family re-filling their car twice a month pays an additional £620 a year.
- On 6 April 2022, the Government increased National Insurance by 1.25 percentage points, which is projected to cost the average family in Eastleigh an additional £600 per year.
- The hit to families from soaring food and fuel prices is being practically doubled by an additional £638 in extra National Insurance, Income Tax and VAT this year.
- Inflation is currently at a 40 year high of 9.1% and expected to rise to 11% by October.
- So far Eastleigh Basics Bank has provided food for 1,188 people in 2022 – 614 adults and 574 children, which is up by over one third compared to pre-pandemic levels. Other food banks in the Borough will have similar figures. The soaring cost of fuel and food will inevitably mean that many of our local residents will face a tough time in the months ahead.
- While the Government has announced it will reinstate the triple lock for pensions next year, by suspending it for 2022/3, Eastleigh's 19,437 pensioners will see a rise of 3.1% this year (instead of 8.3% under the triple lock formula). This year, this will cost pensioners in Eastleigh hundreds of pounds.

This 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 notes that the Windfall Tax was first proposed by Sir Ed Davey MP, leader of the Liberal Democrats, in January 2022. Though the Windfall Tax is welcome, Council believes it does not go nearly far enough and the Government should be doing much more to support local people through the Cost of Living crisis.

This Council therefore declares a 'Cost of Living Emergency' and calls on the Government to:

- Immediately reduce the standard rate of VAT from 20 per cent to 17.5 per cent for one year, saving the average household in Eastleigh a further £600 this year
- Immediately re-introduce the pensions triple lock to support Eastleigh pensioners.
- Immediately restore the Universal Credit supplement of £20, which was cancelled by the Government in September 2021.

Council asks the Chief Executive to write to the Secretary of State for Work and Pensions to express the Council's demands for VAT to be cut to 17.5%, for the re-introduction of the pensions triple-lock and for the £20 Universal Credit supplement to be restored.