

Cost of Living

Proposer: Councillor Ahmed Mahbub

Seconder: Councillor Sarah Elliott

Council notes that:

- The UK inflation rate hit a 90 year high of 9.1 per cent in May, and is expected by the Bank of England to rise further to 11 per cent by October;
- The biggest contributor to last month's increase in inflation was food prices, which have risen by 32.8 per cent in the past year;
- 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, and the average pre-pay meter energy bill will increase by £708 per year (Ofgem, 2022);
- On 6 April 2022, the government increased National Insurance by 1.25 percentage points, which is projected to cost the average family in Haringey an additional £600 a year;
- In 2021/22 Haringey Foodbanks distributed food parcels at a rate of 11 per 100,000 people (Trussell Trust, 2022);
- A 2022 survey from the Joseph Rowntree Foundation showed that 45% of all low-income families (those in the bottom 40% of household incomes) had family members either cut down on or skip meals, or go hungry because they did not have enough money for food;
- Thousands of households in Haringey live in fuel poverty, exacerbated by the fact that 60% of homes in the borough are not energy efficient (Climate Action, 2022).
- The Council's 'Haringey, Here to Help' scheme is designed to get residents the help and support available to them during the cost of living crisis, and a specialised telephone helpline for residents will be launched later this week.
- The Council's Debt Partnership Board (which includes Citizen's Advice, the food network, housing associations, credit unions, and local advice services) meets every two months and takes a multi-agency approach to addressing cost of living concerns.

Council believes that:

- 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 was a welcome first step from the government;
- That the government needs to take a long-term approach to lowering energy bills, including:
 - Reducing Britain's reliance on imported gas by accelerating home grown renewables;
 - Scrapping the Windfall tax "super-deduction" (which will see huge reductions in the amount of tax oil and gas companies pay if they invest in UK oil and gas extraction) as called for in a letter to the former Chancellor of the Exchequer sent by the Cabinet Member for Climate Action, Environment, and Transport, and signed by other London councils.
 - Undertaking a national home insulation strategy which takes into account the private rented sector and encourages landlords to insulate properties they rent.
- The government is not going far enough to support ordinary people through the cost of living crisis.

Council resolves to:

- Declare a 'Cost of Living Emergency';
- Ask the Leader of the Council and Leader of the Opposition to write a joint letter to the Government asking them 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 Haringey a further £600 this year;
 - Immediately restore the Universal Credit supplement of £20, which was cancelled by the Government in September 2021, and lift the benefit cap.
 - Reverse the 40% cuts to Discretionary Housing Payment for the next three years.
 - To make the Household Support Fund, which helps people experiencing immediate financial hardship, a long-term grant.
 - To urgently address the five-month Personal Independence Payment backlog, which is resulting in disabled people missing out on £300m in social security payments.
 - To ensure that local authority funding is not cut any further in order to fund these much needed support initiatives, and to improve funding to local authorities to allow them to take a prevention-based approach to the cost of living crisis.