



## COUNCIL MEETING – 22 SEPTEMBER 2022

### PROPOSED ALTERATIONS TO MOTIONS

#### Motion 1: Declaration of cost of living emergency

##### *Alteration to motion submitted in accordance with Procedure Rule 23.7*

Moved by Cllr Saiqa Pandor

Seconded by Cllr Mick O’Sullivan and Cllr Caroline Russell

#### **This Council notes:**

- On 1 April 2022, Ofgem increased the energy price cap by 54%. This means that households across the UK would be experiencing anywhere between a £600 to £1000 increase in energy bills.
- In Islington, this could amount to a £631 increase, with the average gas and electric bill rising from £907 to £1,538.
- On 26 August 2022, Ofgem confirmed a further energy cap increase of 80% from Saturday 1 October. This means energy bills are expected to rise from £1,971 to £3,549 per year on typical usage.
- The rise in the energy price cap is significantly further than Ofgem’s original prediction in May, which is what Central Government based its cost of living support package on.
- These continued rises will impact our most vulnerable families in the borough. To put this into context, we have 27,399 people in low-income households (on housing benefit or council tax support). 11,673 of our families are in fuel poverty, meaning the household’s income after fuel expenditure would bring their income below the relative poverty line. The number of households in relative poverty now stands at 9,901 (as of July 2022).
- The rate of inflation – the price of goods and services – rose to 10.1% on 17 August 2022, hitting a new 40-year high. It is expected to remain high for the next two years – the Bank of England expects inflation will not reach its 2% target until the third quarter of 2024.
- In Islington, 905 businesses closed during the first quarter of this year (2022), the highest number since 2017. This was 27.6% higher than the average rate of closure since 2017. Although the 905 figure had fallen back by Q2 this year to 770, this was still the fourth highest number of closures out of the last 22 quarters since 2017.

- In the UK Government's Business Insights Survey for August 2022, 45.6% of businesses reported that input prices (all the costs that go into producing a good or service) had increased in July 2022, up from 16.3% at the end of May this year.
- The rising cost of energy is seen as the most important factor behind imminent input price rises expected by the largest group of businesses surveyed (44%). Rising energy costs are followed by over a third of businesses expecting price rises in raw materials (35.1%), and labour (34.4%).
- Unlike households, businesses are not protected by the energy price cap and government support is only planned for six months. As fixed rate deals come to an end in the latter part of this year, several businesses have reported energy bills scheduled to rise sixfold
- Wages are falling, in real terms, by more than since records began, with the latest figures showing real wages falling by 3%
- While Central Government has offered some help in September 2022, this will still see energy prices double for households this year and only offers support for businesses for six months
- The increased energy price cap, coupled with pre-existing inequalities that were magnified by the pandemic have resulted in local businesses and charities becoming 'warm havens' to support struggling families unable to eat and heat their homes. This will only put further economic pressure on our local organisations and businesses as they provide warmth for vulnerable people and families trying to shelve their own energy costs.

### **This Council further notes:**

- In January 2022, Islington Council unveiled its budget to create a more equal Islington in the face of the cost of living crisis.
- The Budget invested an extra £676,000 into our Council Tax Support Scheme to further reduce the council tax bills of around 19,000 low-income working age households.
- It also quadrupled the size of the childcare bursary scheme to £160,000, enabling up to 300 more parents to afford to get back into work or training.
- Up to 4,000 small and medium-sized businesses in Islington have effectively had their Business Rates Bills cancelled out this year thanks to a £17 million council scheme designed to help those affected by the pandemic.
- In July 2022, a £2.6 million support scheme was announced by Islington Council to help families and households in the borough struggling to cope with the cost of living crisis.
- The work undertaken locally to become north London's first Living Wage Borough, has built a growing network of local employers paying at least the London Living Wage.
- The Council's inclusive approach to economic growth and support for microbusinesses through our affordable workspace programmes for tech, digital and creative start-ups, and targeted support for underrepresented groups.

**This Council resolves to declare a cost of living emergency, using our available resources to support our residents and local businesses:**

- We will make use of the of the UK Shared Prosperity Fund money to provide grant aid on energy costs
- Explore where improvements could be made in our own invoice payments to small businesses and freelancers. According to the Federation of Small Businesses (FSB), around 50,000 businesses close every year due to late payments. We will therefore reduce our Prompt Payments from a 28 day period to a 14 day period.
- Promote a whistle-blowing service so in turn, we can report substantiated breaches to the Small Business Commissioner's Office and companies can be struck off the Prompt Payee register.
- As part of Social Value asks of a contractor, ask them to pay their supplies within 14 days, rather than 30 days of the Prompt Payment Code.
- Launch an internal hack-a-thon to encourage Council staff to shop local and highlight Shop Local alternatives to the big suppliers.
- Investigate potential for bulk buying of energy and facilitate local business consortia.
- Promote support the Council already offers through the Local Economies team, affordable workspaces, construction directory, and employment services, as well as grants available from Islington Sustainability Partnership (formerly ISEP).
- Run Business Rates workshops to ensure that businesses are paying the correct amount.
- Work with the BEIS Small Business Commissioner to consult on a package of support for small businesses in the borough
- Will explore all avenues and actively campaign for Central Government to fully fund additional support for residents in properties with communal heating systems, in recognition of the increasing cost of energy bills
- Work with residents, NGOs and community groups to provide warm and welcoming spaces this winter on estates, in community centres and in other local facilities, where people can keep warm and comfortable and where they can receive council support and advice services to lessen the impact of food and fuel poverty.
- Promote union membership to Islington residents and work with unions and workers to ensure everyone working for Islington Council is fairly paid in the face of rising inflation and an escalating cost of living crisis.

**This Council resolves to build an inclusive local economy that works for all.  
We call on the Government to:**

- Secure our energy future and support a new generation of skilled green jobs by investing in a rapid rollout of renewables and storage technology, held in common ownership for the public good.
- Increase the National Minimum Wage to the level of the real Living Wage, as identified by the Living Wage Foundation
- Uplift Universal Credit and all other benefit payments in line with inflation
- Introduce universal free school meals for all children, as Islington Council has done for primary school children since 2009.
- Allow the Mayor of London to bring in rent controls, saving tenants money and supporting people through the cost of living crisis.
- Implement the official national opposition's proposal to freeze gas and electricity prices immediately to give people breathing space over the winter. This means the domestic energy price cap would stay at its current level of £1,971 from October to April rather than £2500 price cap announced by Prime Minister Liz Truss; it would mean no rise in household energy bills until April 2023 with pensioners and low to middle income families still receiving planned additional support with already elevated bills.
- Support a £1bn fund to help energy intensive industries with the higher cost of energy.
- Increase the business rates threshold for small business rates relief (from the current threshold of £15,000 to £25,000), to give SMEs a discount on their business rates bill for 2022/23, ahead of more fundamental reform proposed by the government.
- [Fully fund a further investment in the Islington Council Tax Support Scheme](#)
- [Restore the £20 Universal Credit uplift along with a further increase taking the uplift to £40](#)
- [Urgently fund a national retrofitting scheme, to ensure every home has the insulation needed to keep people warm and reduce energy bills.](#)