

**Amendment to Cost of Living Crisis Motion as submitted by Councillor Barker:  
Full Council, 10 October**

**Amended Motion (red text denotes additional wording – wording to be removed has been struck through):**

**Council notes that:**

- I. Inflation and rising interest rates have caused a dramatic fall in real household disposable incomes:

According to the House of Commons Library<sup>1</sup> in August 2023, the UK's annual inflation rate of 6.7% was higher than in most comparable economies.

Key drivers of inflation are food and energy prices, both of which have risen since Russia invaded Ukraine in 2022. Over the two years from August 2021 to August 2023 food prices rose by 28.4%. To provide context, it previously took over 13 years, from April 2008 to August 2021, for average food prices to rise by the same amount.

The Bank of England has been raising interest rates to try and get the inflation rate back to its 2% target, and as a result, the cost of mortgages and rents have risen.

Real household disposable income is the amount of money that households have available for spending after tax and social contributions (such as National Insurance Contributions) have been deducted.

The Office for Budget Responsibility reports that real disposable income is falling at the fastest rate since comparable records began, and forecasts that even by 2028 it will still be below pre-pandemic levels.

- II. Low-income households are particularly affected by rising prices:

Low-income households such as those on Universal Credit are already making savings for instance on food and heating wherever they can and have little headroom for cutting their expenditure further as prices rise. Rises in the cost of food and energy therefore have disproportionate impacts on their budgets relative to households with higher incomes.

51% of adults in Great Britain reported an increase in their cost of living in August – September 2023 compared to a month ago. Of those who reported an increase in the cost of living in this period, almost all (95%) said which was because of an increased price of food shopping, while 57% cited an increase in gas and electricity bills.

67% of those who reported a rise in the cost of living between 23 August and 3 September 2023 said they are spending less on non-essentials as a result, while

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<sup>1</sup> Unless otherwise referenced, all data in this report is sourced from: [CBP-9428.pdf \(parliament.uk\)](#) Research Briefing 23<sup>rd</sup> September 2023 – Rising Cost of Living in the UK

45% report cutting back on essentials like food shopping and 44% reported using less energy at home.

Here in Uttlesford the Foodbank distributed 1,670 parcels in the year to March 2023 compared to 1,160 in the year before. This number would have been considerably higher had it not been for two Cost of Living payments made to low-income individuals as part of the central government emergency cost of living measures.

This provided emergency food to 4,310 individuals, 44% of these being children compared to the 3,100 who needed help the year before. It is estimated that 18% of children in Uttlesford are in low-income families, and that 7 in 10 of these are in working families.<sup>2</sup>

### III. The number of people struggling financially in Uttlesford is rising:

The Robert Wood Johnson (RWJ) model illustrates that socio-economic factors carry the most weight (40%) for determining health outcomes, highlighting the importance of this. We must therefore find ways to support our communities through these challenging and unprecedented times

The UDC Health and Wellbeing Strategy notes that Uttlesford is one of the 20% least deprived local authorities in England, however about 18% (3,272) of children live in low income families, after housing costs\* (JSNA, 2020). This figure is likely to increase with rising costs of living. Deprivation in affluent areas can be very challenging. It has been suggested that a poorer individual living in a wealthier area may have worse health than a poorer individual living in a deprived area, for example (Stafford & Marmot, 2003), although the evidence for this is not conclusive. We must, however, be mindful of this and focus efforts on areas of need within the district as part of our work to support the UK's Levelling Up agenda to reduce inequalities.

Despite ranking highly in great places to live surveys, Uttlesford has a high number of families in receipt of Universal Credit. In April this year (2023) there were 4,247 people claiming Universal Credit, for comparison in November 2021 there were 1,290 claimants.

Benefit uprating lags the wider economy. The April 2023 annual uprating took them back to the real level they were a year earlier. It is not until April 2025 that benefit rates are set to recover the ground they lost over the autumn and winter of 2021.<sup>3</sup>

The number of people on UDC's housing register rose 17% from 1,145 in September 2019 to 1,338 in June 2022.<sup>4</sup>

In Uttlesford 36.7% of households are owned with a mortgage and 14.6% of households are privately rented<sup>5</sup> which means that over 50% of households are exposed to the impacts of high interest rates on their housing costs.

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<sup>2</sup> Data provided by Uttlesford Foodbank

<sup>3</sup> [The cost of living crisis: a pre-Budget briefing | Institute for Fiscal Studies \(ifs.org.uk\)](https://www.ifs.org.uk/publications/1044)

<sup>4</sup> Data provided by Uttlesford Citizens Advice

<sup>5</sup> Data provided by Uttlesford Citizens Advice

Of the 33,815 properties in Uttlesford, over half 17,259 have EPCs of D,E,F,G, the least efficient rating. These households are particularly affected by increased costs of energy.

**Council therefore resolves;**

***To reprioritise our Budget to free up additional funds to support those most in need.***

To call on the UK Government and our local Members of Parliament to effectively tackle the cost-of-living crisis facing Uttlesford families ***and those across the United Kingdom*** and act now to support them with the following specific measures;

- a) Introduce a guarantee that benefits will cover the essentials so that people don't have to resort to debt or emergency charitable support to meet their basic needs, and that deductions will never pull benefits below this level, and thereafter ensure that benefits are uprated in line with inflation.
- b) Unfreeze Local Housing Allowance (LHA) and bring Housing Benefit back in line with rents so it covers at least the cheapest 30% of private rents in every part of the country and uprate it every year to reflect changes in rents.
- c) Increase in Discretionary Housing Payment, which provides additional financial support for claimants who are in properties with rents above LHA rates
- d) Household Support Grant is allocated proportionately to District Councils in line with local needs. For example, those in receipt of Housing Benefit only were not eligible to claim the cost of living payments
- e) To ensure that New Burdens administration funding is sufficient to deliver new initiatives effectively
- f) ~~A new revised local government settlement that adequately funds local councils to protect and operate vital front line services.~~

Amendment Proposer: Councillor Barker

Amendment Secunder: Councillor Gooding