



“No, it’s not enough”

These were the opening words from Treasury Minister, Alex Allinson at the public meeting on the cost-of-living crisis organised by Liberal Vannin last Monday, October 24th and entitled ‘Is Enough Enough?’, questioning whether the measures introduced by government to date were sufficient and expressing

concern as to what the Island’s residents may face over the winter, in the New Year, and beyond.

Dr Allinson went on to indicate the thinking behind the government’s current measures to help alleviate the increased cost of food, heating - and inflation generally - that we are all experiencing going into the winter. He stressed that Treasury were continuing to monitor the economic impact of inflation and high energy prices on the Island and confirmed that pensions would rise on the basis of the triple lock to keep pace with inflation.

He was followed by Claire Christian, MHK, Chair of the Economic Policy Review Committee, who agreed that the government does need to do more. In particular, she asked that targeted support for low-income earners on benefits should be extended in a more equitable way to also reach those on low incomes but not on benefits. Claire also asked for an immediate rise for pensioners in line with the triple lock principle, giving pensioners the dignity to manage their own finances properly.

She called on the government to increase the benefit in kind vouchers to double to £1,200 (even if only as a short-term measure) to allow more to be given to employees by their employers if they wish. The vouchers could be used for utilities vouchers and would be spent locally on the island.

Finally, she urged the government to review the island plan and the economic strategy. “Both are now out of date and do not reflect that we are in a completely different landscape when the research for these reports was being done and the strategies were formulated. I would like to see a more focused plan, of what we can achieve, and be more transparent about what we can’t. “

She drew attention to the following written questions which she submitted during September:

<https://www.tynwald.org.im/business/BusinessHansardIndex2126/W-202201-0379.pdf>

<https://www.tynwald.org.im/business/BusinessHansardIndex2126/W-202201-0377.pdf>

<https://www.tynwald.org.im/business/BusinessHansardIndex2126/W-202201-0378.pdf>

Standing in for Neal Mellon of the Isle of Man Food Bank, David Gawne, MBE, said that the Food Bank had already seen a 10% increase in demand and anticipated that continuing to rise over the winter months. He said that the voluntary sector was working closely with government departments to co-ordinate support for vulnerable people, but that the crisis was leading to a reduction in the number of volunteers available, as many of them were also needing to seek paid employment to help make ends meet.

Douglas Councillor, Frank Schuengel supported David Gawne in stressing the need for a more co-ordinated approach to making people aware of what support is available. He highlighted the Isle of Man Cost of Living Advice and Help Facebook Group - [Isle of Man Cost of Living Advice & Help | Facebook](#) – and called for an app to help people identify the cheapest places to buy basic groceries. He said that his initial research revealed a significant range of prices across the Island’s supermarkets and convenience stores, suggesting that those based in areas where there might be greatest need, were often the most expensive.

Questions from the floor covered a wide range of issues. Chief among them being:

- A group falling through the support net were single people in rented accommodation, with middle-range incomes, who were now finding it increasingly difficult to afford rent, gas and utility bills and food.
- The recent Chamber of Commerce call for people to consider taking second jobs in the hospitality and retail sectors, was understandable in a period of low unemployment, but was generally thought to be unhelpful. Frank Schuengel made a plea for the Island not to go down the USA route of having a large pool of ‘working poor’ on the Island. Meeting Chair, Paul Weatherall, pointed out that many people were already having to work 2 or more jobs to maintain a reasonable income. Others referred to the high costs of child care deterring people from working longer hours, although Alex Allinson said that government had taken steps to help reduce those costs.
- The review of gas prices by the regulator, (Communications and Utilities Regulatory Authority) was noted and Chair, Paul Weatherall expressed concern that government help with electricity prices hadn’t been extended to customers of Isle of Man Energy (formerly Manx Gas). Alex Allinson explained the difficulty of subsidising private companies, including our heating oil suppliers, but regular discussions took place to understand how the gas and oil markets were changing. He highlighted the particular problems with Isle of Man Energy, which had cash flow problems earlier in the year and were facing a future of reduced business as households converted from gas heating systems in the years to come. One member of the audience was concerned that the company was often unfairly targeted.
- Increased support for student maintenance grants was requested, as it was noted that they were not keeping pace with inflation, which affects many Manx students studying in the UK. Claire Christian asked for fares for students returning home for Christmas to be waived. Encouraging students to return to the Island, would lead to them taking up jobs in the hospitality and retail sector during this busy period. This led to a broader discussion on reducing ferry prices, with the Treasury Minister indicating that there were reduced fares available for students returning home this winter.
- Paul Weatherall, as Chair, reported that he had been asked to raise a concern from someone unable to attend the meeting, which was the perceived unfairness that some discounted MUA electricity tariffs, available to customers with electric vehicles and / or all-electric central heating systems, were not on offer to people on low incomes, who could be considered as being more in need. Alex Allinson, said that the idea of having a ‘social tariff’ was problematic, as the MUA didn’t have access to the financial status of their customers. This of course begs the question, in the mind of Liberal Vannin’s Chair, that as the MUA is a government agency – why not?

- The possibility that prescription charges may rise and that fewer people may be eligible for free prescriptions was questioned. Rob Callister, Minister for Health and Social Care, was in the audience and confirmed that he was reviewing prescription charges, but that no policy decisions had been taken. He noted that prescriptions were free in Scotland and Wales, but also highlighted that the cost of prescribed medicines on the Island was around £17,000,000, of which, at present, around £1,000,000 was recouped from prescription charges, with many patients being exempt.
- Dominating the discussion for a good proportion of the meeting was the concern that recent changes to mortgage rates was greatly exacerbating an already critical problem of the lack of affordable housing on the Island. Liberal Vannin member, Peter Karran called for the return of a subsidised government mortgage scheme and restrictions on the sale of houses purchased under first-time buyers' schemes. Concern was also raised about the perception that many new homes are snapped up by investors, thus reducing availability for people struggling to afford to buy a home of their own. The lack of new social housing for those finding it difficult to afford the increasing cost of private rentals was also highlighted. Claire Christian advised that current plans indicate a net increase of only 111 new social housing units over the next 4 years (fewer than 28 per year on average) and she "failed to see how this was tackling the problems of affordability and homelessness that the Island Plan sets out to address." It was suggested that the Manx Development Corporation may be best placed to help alleviate this, but most of the audience seemed to be in no doubt that these issues need to be dealt with more urgently, and on housing at least, what has been announced to date, is certainly not enough.

On closing the meeting, Paul Weatherall thanked the panellists and audience for their concern and thoughtful contributions. He summarised the mood of the meeting as having recognised that closer collaboration between government agencies, local businesses and charitable organisations was paramount and that we must all do our best to ensure that information on the support provided is widely available and no-one falls through bureaucratic nets. Although it wasn't raised at the meeting, the Liberal Vannin Chair feels that the setting of the coming year's legal minimum wage will be a crucial factor in how low paid workers will cope with rising costs. He calls for government to set it at £11.00 per hour, accelerating the move to adjust it to the Manx Living Wage, and abandon the 'Development Worker' category.

Liberal Vannin's next public meeting will be held at the Manx Legion Club at 7.30pm on Monday, November 21st. Topic and speakers to be announced.