

TORIES' COST OF LIVING CRISIS

VS

**Labour's plan
to save you
thousands**

Introduction

Britain is facing a cost of living crisis.

A decade of cuts and the Conservatives' failure to curb rising bills, have cost families almost £6,000, a year since 2010, new analysis by the Labour Party reveals.

While wages are still lower than before the financial crisis, inaction by the Tories and the Liberal Democrats over the last decade mean the cost of living for millions of households has soared.

What has come to the fore during this election campaign is that Boris Johnson's thinks the Tories are born to rule and should only look after the privileged few.

The Tories have offered nothing in their manifesto to address the problems facing working families who are struggling to make ends meet. It was yet more tired reheated policies from a party of failure.

As we enter the next decade, this election is a chance to right the wrongs of the last decade. To build a fairer future and to bring a divided country together.

Labour will take urgent action to reduce household bills, saving families thousands of pounds, while giving 12 million workers an immediate pay rise.

It's time for real change. Labour will transform the country for the many, not the few. Where the Tories have failed, we will deliver.

Labour is on your side.

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Cost of living crisis under the Tories vs Labour's better plan

The Conservatives' failure to curb rising bills has cost families almost £6,000 a year since 2010, new analysis by the Labour Party reveals.

Since 2010, the Tories are costing the average household:

- **£68 more** for their dual-fuel energy bill
- **£75 more** for their water bill
- **£204 more** for their broadband bill
- **£1,740 more** for season rail tickets
- **£1,916 more** on average for childcare per child
- **£22 more** on yearly prescription charges
- **£1,924 more** on rent

That's a total cost of £5,949

Labour's plan for real change will save average families over £6,700.

With Labour, the average household would:

- **Save £559** on their dual-fuel energy bill
- **Save £113** on their water bill
- **Save £364** on their broadband bill
- **Save £2,194** on a pair of season rail tickets
- **Save £2,941** on average for childcare per child
- **Save £108** on yearly prescription charges
- **Save £437** on free school meals

That's a total saving of £6,716

Additionally, if the household has two people on the current minimum wage, Labour's £10 an hour real living wage would mean the household would be £6,888 a year better off.

Cost of living crisis with Energy costs

Tory failure – costing you £68 a year

According to the government's most recent figures, 11 per cent of UK households are in fuel poverty – approximately 2.53 million households.ⁱ

The UK has the worst rate of excess winter deaths in Europe, with 3,000 Britons now dying each year because they can't heat their homes.ⁱⁱ

Domestic dual fuel bills were £1,116 on average in 2010 and £1,184 on average in 2019ⁱⁱⁱ

That's an increase of £68.

Labour's better plan – saving £559 a year

Labour will keep bills down by reviewing the energy price cap to make sure it properly protects consumers and limits price increases.

Labour will

- Upgrade almost all of the UK's 27 million homes to the highest energy-efficiency standards, reducing the average household energy bill by £417 per household per year by 2030 and effectively eliminating fuel poverty.
- Take the energy grid and supply arms of the "big six" energy companies into public ownership, which would save the average household at least £142 each year according to independent expert analysis from Greenwich University's Public Services Research Unit.^{iv}

Cost of living crisis with water costs

Tory failure – costing you an average of £75 a year

Privatisation has not meant more investment. Investment in water supply infrastructure was lower in 2018 than in 1990.^v

This is despite more than 20 per cent of all water currently being lost through leakages from water pipes.^{vi}

Between 2012 and 2017, the UK's nine privatised water companies paid out more than £6.5bn in dividends and interest in the past five years. Over the same five year period, company bosses were paid £58m in salary, bonuses, pensions and other benefits.^{vii}

The nine regional water companies in England have between them received almost £164 million more in tax credits than they paid in tax despite pre-tax profits of over £16 billion.

Water bills were on average £340 in 2010^{viii} and were on average £415 in 2019^{ix}

That's an increase of £75.

Labour's better plan – saving £113 a year

Labour will take water and energy back into democratic public ownership so that profits are reinvested into the system rather than siphoned off to shareholders.

According to independent analysis from Greenwich University's Public Services Research Unit, the average household would be £113 better off if water companies were publicly owned.^x

Cost of living crisis with Broadband costs

Tory failure – costing you £204

At present, only 8-10% of premises in the UK are connected to full-fibre broadband compared to 97% in Japan and 98% in South Korea.

According to research by the Centre for Economics and Business Research, a full-fibre broadband network could boost productivity by £59 billion by 2025; bring half a million people back into the workforce; and boost rural economies, with an estimated 270,000 people more able to move to rural areas.^{xi}

Broadband bills were £13.31 a month on average in 2010^{xii} and were £30.30 a month on average in 2019^{xiii}

That's an increase of £203.88

Labour's better offer – saving £364

The internet has become such a central part of our lives, opening up opportunities for work, creativity, entertainment and friendship. What was once a luxury is now an essential utility, with an internet connection required to access many government services – including Universal Credit.

It's time to make the very fastest full-fibre broadband free to everybody, in every home in every corner of our country. Labour will provide free, full-fibre broadband to every home and business in the country by 2030.

Broadband bills were £30.30 a month or £363.60 a year on average in 2019^{xiv}

Cost of living crisis with rail season tickets

Tory failure – costing £1,740

The Tories have failed hard working families who are having to pay ever higher fares for public transport. Commuters were always told that higher fares would fund investment, but vital projects have been delayed for years and passengers are paying ever more to travel on increasingly overcrowded and unreliable trains

Privatisation has created one of the most complex, exploitative and expensive ticketing systems in the world.

From January the average commuter will now be paying £3,064 for their season ticket, £870 or 40% more than in 2010.^{xv}

Labour's better offer – saving £1,097 per person

Labour has a strong record on rail. When in power, we were building a network for the many not the few. We invested more in the railways, in real terms, than any previous government. Labour ended the disaster that was Railtrack, and tackled the appalling safety problems caused by the Tories' botched privatisation of the railways.

Labour's plans for an integrated railway under public ownership will:

- Cut regulated rail fares by 33% from January 2020, saving the average commuter £1,097 a year
- Guarantee fair fares for part-time workers
- Deliver a simple, London-style ticketing system across the nation
- Make rail travel free for those 16 years old and under

Cost of living crisis with childcare

Tory failure – costing you £1916

Under the Tories some parents are still worse off in work once they have paid for childcare and almost one in five parents have had to leave their jobs because of the cost of childcare.

Average cost of child care has increased by £1,916 between 2010 and 2019^{xvi}

England	2010	2019	Difference in price
25 hours a week nursery for child age two	£82	£126	£43.77
25 hours a week childminder for two and over	£83	£113	
Yearly cost:	2010	2019	
25 hours a week nursery for child age two	£4,264	£6,540	£2,276
25 hours a week childminder for two and over	£4,316	£5,872	£1,556
Total average			£1,916

Labour's better offer – saving £2,941

Labour will radically expand free childcare to 30 hours a week for all 2-4 year olds, which will save families thousands of pounds a year.

New analysis by the House of Commons Library, commissioned by Labour, found that under the expansion of free childcare that Labour will deliver:

- the average family, currently accessing the maximum amount of free childcare currently available for 2 year olds, a saving of £2,941 per 2 year old child.
- the average family, currently accessing the maximum amount of free childcare currently available for three or four year olds, a saving of £2,868 per 3 or 4 year old child.

Labour's expansion of 30 hours of free childcare will benefit over 880,000 3 and 4 years olds, and over 500,000 two years olds by the end of the Parliament.

Cost of living crisis with prescriptions charges

Tory failure – costing you £22

Research has shown that prescription charges put people off from collecting prescribed medicine.

A survey of health professionals by the Royal College of Nursing found that 87% said they have had their patients skip their medication because of the cost of their prescription.

Asthma UK also found that over three quarters of people with asthma in England struggle to afford their prescriptions and over half had cut back on their medication because of the price.

NHS drug prescriptions were £7.20 in 2010^{xvii} and are currently £9.00. That's an increase of £1.80

For those with monthly prescriptions that's an increase of £21.60. This is a particular burden on people with long term conditions like asthma and chronic kidney disease.

Labour's better offer – saving £108

The next Labour government will abolish prescription charges in England.

Labour made prescriptions free for people with cancer in 2008. The Tories have done nothing and exempt conditions have been otherwise unchanged for 50 years. People with Addison's disease, chronic kidney disease, strokes, heart failure and a host of other long-term conditions must still pay for their medicine. In government, Labour will simply make all prescriptions free of charge.

Prescriptions are free for patients living in Scotland, Wales and Northern Ireland – but cost £9.00 per item in England meaning those with monthly prescriptions are paying £108 a year.

Cost of living crisis with wages

Tory failure – costing £1872 a year

Median weekly earnings in real terms are still 2.9% lower (£18 lower) than the peak in 2008.^{xviii} That means across a year median earnings are £936

Experts have described this decade of wage stagnation as “historically unprecedented.”^{xix}

The Chief Economist at the Bank of England noted it was the worst decade for wages since the Napoleonic wars.^{xx}

Labour’s better offer – saving £3,444 per person a year

Labour will give a pay rise to 7.5 million people by introducing a £10 an hour real living wage, giving workers at least £9,000 more than the Tories over the next five years.^{xxi}

Analysis of latest ONS figures on earnings also shows that Labour’s pledge to immediately introduce a £10 an hour Real Living Wage for all workers over 16 will give approximately 7.5 million people a pay rise, including over 1.2 million young people.

Workers who currently earn a minimum wage job would get an immediate pay rise of between £3,444 and £5,986:

- 16-18 year olds will get an average pay rise of £3,497
- 18-20 year olds will get an average pay rise of £5,986
- 21-24 year olds will get an average pay rise of £4,485
- Workers 25 and over will get an average pay rise of £3,444

That means that a household with two adults over 25 would get a combined pay rise of **£6,888** a year under a Labour government.

The average public sector worker will get a pay rise of £1,600 in April under Labour.^{xxii}

As a result of Labour’s £10 an hour Real Living Wage, and 5% public sector pay rise approximately 12 million people will get a pay rise.^{xxiii}

Other areas where the Tory cost of living crisis is hitting hard

Cost of renting – costing you £1924

The median weekly rent in 2010 was £156. In 2019 it was £193. That’s an increase of £37.

Over a year that is £1924^{xxiv}

Labour has set out a new private renters’ charter including the right to an affordable, secure and decent home where rent rises by no more than inflation.

Other areas where Labour will end the cost of living crisis:

Labour’s better offer – saving £437 with free school meals

Free school meals are worth £2.30 per child per day, which over a 38-week school year totals £437 per child^{xxv}

Labour will offer free schools meals for all primary schools children.

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- ⁱ [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/829006/Annual Fuel Poverty Statistics Report 2019_2017_data_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/829006/Annual_Fuel_Poverty_Statistics_Report_2019_2017_data_.pdf)
- ⁱⁱ <https://www.independent.co.uk/news/business/news/cold-weather-uk-winter-deaths-europe-polar-vortex-a8224276.html>
- ⁱⁱⁱ <https://www.ofgem.gov.uk/data-portal/large-suppliers-domestic-dual-fuel-bill-breakdown-over-time>
- ^{iv} <https://gala.gre.ac.uk/id/eprint/26026/>
- ^v <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2018-05-08/141681/>
- ^{vi} <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2018-03-06/131199/>
- ^{vii} <https://www.independent.co.uk/news/business/news/privatised-water-companies-dividends-interest-billions-gmb-union-research-a8463706.html>
- ^{viii} p28 https://www.ofwat.gov.uk/pricereview/pr09phase3/det_pr09_finalfull.pdf
- ^{ix} <https://www.water.org.uk/news-item/water-companies-reveal-additional-8-billion-investment-with-bills-kept-down-again/>
- ^x <https://gala.gre.ac.uk/id/eprint/26026/>
- ^{xi} <https://www.openreach.com/full-fibre-impact>
- ^{xii} https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/78096/10-1320-britains-superfast-broadband-future.pdf
- ^{xiii} <https://www.cable.co.uk/broadband/pricing/worldwide-comparison/>
- ^{xiv} <https://www.cable.co.uk/broadband/pricing/worldwide-comparison/>
- ^{xv} Labour analysis of annual rail fares growth, including <http://www.thetimes.co.uk/article/rail-fares-rise-by-up-to-a-fifth-as-overcrowding-and-delays-worsen-5n5mzrwht>
- ^{xvi} For 2010 childcare costs, see Daycare Trust, Childcare costs survey 2010 https://www.familyandchildcaretrust.org/sites/default/files/Resource%20Library/Costs_survey_2010.pdf
For 2019 childcare costs, see Coram Family and Childcare, Childcare Survey 2019 <https://www.familyandchildcaretrust.org/childcare-survey-2019>
- ^{xvii} <https://www.pharmaceutical-journal.com/news-and-analysis/uk-prescription-charge-changes-2010/11006321.article?firstPass=false>
- ^{xviii} <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2019>
- ^{xix} <https://www.bbc.co.uk/news/business-45487695>
- ^{xx} <https://www.theguardian.com/money/2018/oct/10/gig-economy-fuelled-lost-decade-in-wage-growth-bank-economist-andy-haldane>
- ^{xxi} <https://labour.org.uk/press/labours-real-living-wage-will-give-workers-at-least-9000-more-than-the-tories-by-2024/>
- ^{xxii} <https://labour.org.uk/press/public-service-workers-will-get-1600-increase-in-april-under-labour/>
- ^{xxiii} <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/publicandprivatesectorshetable13>
- ^{xxiv} English Housing Survey 2017 to 2018: headline report, MHCLG, 31 January 2019, <https://www.gov.uk/government/statistics/english-housing-survey-2017-to-2018-headline-report>
- ^{xxv} School meals and nutritional standards, 2017 https://dera.ioe.ac.uk/30596/1/SN04195_Redacted.pdf



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