



Zacchaeus 2000

Q1: To what extent do you agree or disagree that the revised Council Tax Support scheme should adhere to the underlying seven key principles?

Strongly disagree

Q2: If you disagree that the revised scheme should adhere to the underlying key principles, please tell us why.

Z2K strongly objects to principle one 'Everyone should pay something towards their Council Tax liability'. Benefits are supposedly calculated on the basis of providing the minimum necessary to live on, yet they fall far short of Minimum Income Standards (the amount required for a minimum acceptable living standard, for more information see <http://www.irf.org.uk/topic/mis>). For a single person over the age of 25 the £73.10 weekly Job Seekers Allowance is only 39% of their minimum income standard and for a couple with two children their benefits only provide 57% of what is required for an acceptable standard of living.

Ealing has a minimum council tax payment that is one of the highest in London. For the vast majority of Council Tax Support (CTS) claimants this minimum payment has to come out of benefits, which are already insufficient to provide for the basics of life, and in many cases have already been reduced by other welfare reforms. This means that thousands of Ealing residents have been placed in the impossible situation of trying to cut down their food, utility bills or other house essential costs in order to pay their council tax. For example a single unemployed person living in a Band D property in Ealing faces an annual charge of £339, which is equivalent to four and a half weeks, or 9%, of income annually. It is impossible to pay this charge without it having a serious impact on the claimant's standard of living and ability to afford essentials.

Unsurprisingly many of those asked to pay have been unable to do so, resulting in 5,114 CTS claimants in arrears in Ealing in 2014/15 and summons issues 3,485 claimants in the same year. Our experience supporting vulnerable debtors is that the vast majority aren't refusing to pay, they simply can't. 3,485 Ealing residents were charged court costs, exacerbating an already unaffordable debt.

We are concerned that the numbers of Ealing residents being issued with a court summons is likely to rise. Ealing increased its minimum payment from 20% to 25% in 2015/16 and we expect this means that many of those who have hitherto been managing to meet the minimum payment will start to fall into arrears as they are simply unable to keep up with the higher payments.

Q3: To what extent do you agree or disagree with the each of the five options the Council has considered for revising the existing Council Tax Support Scheme? (Please refer to the details of various options above).

Option 1: Strongly disagree

Option 2: Strongly disagree

Option 3: Strongly disagree

Option 4: Strongly disagree

Option 5: Strongly agree

Q4: Please use the space below for any further comments on your responses to the question (Q3) above:

Our research on the impact of the localisation of Council Tax Benefit has shown that the minimum payment required by the council's CTS scheme is already pushing Ealing's most deprived residents deeper into poverty. Further cuts to support would only serve to entrench this. Rather than reduce funding for the CTS scheme, we urge the council to reduce the payment burden on Ealing's poorest residents, therefore although we support option 5 as the least worst option we would urge the council to go further.

While it is true that Ealing, in common with all local authorities, faces significant further funding cuts the actual funding for Council Tax Support has not been reduced further. As the government state in a response to a recent parliamentary question:

"We provided £3.7 billion for localised council tax support in 2013/14 and 2014/15, and will be providing the same amount in 2015/16." (House of Lords, *Hansard*, 14 January 2015, col WA247)

We understand that the financial pressure of the initial 10% funding placed Ealing in a difficult situation, however experience elsewhere in London shows it is possible to find a way not to pass this cut on to the borough's poorest residents. Z2K therefore, not only oppose all options 1 - 4 outlined in the consultation, but also call for Ealing to abolish the minimum payment and reinstate 100% council tax support as has been done in the City of London, Hammersmith & Fulham, Kensington & Chelsea, Merton, Tower Hamlets and Westminster, or at the very least reduce minimum payments to a level comparable to other local boroughs.

Q5: To what extent do you agree or disagree that the proposed revisions to the scheme using Option 1 (the preferred option) are fair to all residents of the borough?

Strongly disagree

Q6: If you disagree that the Option 1 (the preferred option) is fair to all residents of the borough, please tell us why in the space below:

While we are opposed to the entire concept of a minimum council tax payment, we are of the opinion that where an authority does introduce one vulnerable groups should be exempted. It is correct therefore that Ealing recognises disabled claimants, some carers and lone parents with children under 5 as vulnerable groups and thus exempts them. However it

is extremely worrying that the council's preferred option should propose to introduce a minimum payment, albeit at a reduced rate, for these groups.

We are particularly concerned about the impact of these changes on children living in poverty in the borough. The proposed changes will have detrimental effects on lone parent, already at higher risk of living in poverty. As 92% of lone parents are women, these changes will also have a disproportionate impact on women.

In Z2K's experience, for disabled people who rely on benefits even the smallest reduction in their available income, such as through an increase in their council tax liability, will have a disproportionate impact. While workless disabled people may have higher income levels than those on Jobseeker's Allowance they face a range of additional challenges. For example, individuals who suffer from fluctuating medical conditions often have costs that vary week on week such as having intermittent time spent in hospital, which increases expenditure of items like food. Individuals with disabilities can also find that their conditions mean that they are more vulnerable to short term increases in expenditure for emergency or cyclical purchases, e.g. purchasing a new washing machine urgently; having to pay a large sum every three months. There are also many people whose disabilities make it inherently more difficult for them to comply with a strict budget, e.g. chaotic lifestyle; mental health problems; learning difficulties.

In light of these impacts on vulnerable groups, in particular disabled people and women, we hope that the council will be paying due regard to its Public Sector Equality Duty and undertaking a full and detailed equalities impact assessment before coming to a decision.

As well as the proposed introduction of a minimum payment of 8.5% for vulnerable groups we are also opposed to the £6 increase to non-dependent deductions and the introduction of non-dependent deductions where the non-dependent is in receipt of JSA, ESA and other benefits.

Although non-dependant deductions are theoretically paid by the non-dependants living in a household (most often adult children), in our experience it is often the claimant who ends up footing the bill as s/he is unable to get them to pay. This can lead to further impoverishment of claimants.

We are particularly concerned about the introduction of deductions for non-dependents in receipt of a range of means tested benefit. The rationale behind non-dependent deductions is that if there is a non-dependent in the household who is earning they should be expected to contribute to the council tax bill. Non-dependents in receipt of means tested benefits are usually exempted because it is recognised that their low incomes mean they are unable to contribute. For example a parent who cares for their disabled adult son or daughter would not normally be subject to a deduction. In this instance the proposal would amount to £312 annual charge, expected to be met from the adult son or daughters benefit. There is no justification for this proposal other than a punitive means of achieving savings.

Despite these objections to Option 1 there are two proposed changes contained within it that we support. We are in favour of the earning disregard for working household being

increased to further incentivise work. We also particularly support the reduction in from 30% to 25% minimum payment for claimants who have been receiving JSA for more than a year.

Ealing's previous decision to charge those who had been on JSA for more than a year a higher rate was based on no meaningful evidence at the time, and is now exposed in the consultation paper itself as having been fundamentally flawed, as this group "*are more likely to have difficulty in paying their council tax*". This error of judgment illustrates why it is so important for both councillors and members of the public to be given the fullest possible information about collection/enforcement rates amongst the different categories of CTS claimant before decisions are made on changes to the scheme. This information is singularly absent in this consultation document.

Q7: If the Scheme is revised according to Option 1, do you think you (or members of your household) would be affected by the changes? If so, please tell us how.

N/A

Q8: Please use the space below to provide any other comments or suggestions you may have with regards to the Council Tax Support scheme proposals.

Z2K considers this consultation to be both deeply flawed and potentially misleading. The consultation states that:

"The current Council Tax Support scheme is now in its third year and despite substantial reductions in government funding referred to above the scheme has not been revised."

This is not factually correct. The original scheme adopted in 2013/14 contained a maximum discount of 80% for working age non-vulnerable claimants. This was decreased by 5% to 75% in 2015/16 by way of cabinet vote in October 2014, utilising a provision in the scheme to vary the maximum deduction by 5% either way. This change was not consulted upon or voted on by Full Council. Despite this the published scheme for 2015/16 continued to state the maximum discount as 80%. Reducing the maximum discount for this category by 5% must clearly count as a revision. We are concerned therefore that information about this change is not included in the consultation and that the consultation incorrectly state that no revisions have been made.

Z2K believes it to be fundamentally wrong to make such substantial change without consultation prior to it being implemented. It is also misleading to change the stated maximum discount in the scheme without mentioning it among other changes in this current consultation. As the draft scheme stands the provision allowing for variation could enable the council to further reduce the maximum discount to 30%. It is unacceptable that those who could be affected by this change have not been properly informed about it or had their views sought.

In addition any assessment of the proposals contained within this consultation should be undertaken on the basis of the fullest possible information. It is important the council takes into account the experience of the first three years of the scheme using evidence on arrears

rates, cost of collection, other impacts on claimants and comparison with other local schemes. Without providing this information the authority has prevented Ealing residents from making an informed decision in their consultation responses. We can only hope that such evidence is provided to councillors in a thorough impact assessment of the first three years of the scheme before they make the decision on the proposals.