



Zacchaeus 2000

Q1 Referring to the changes shown on pages 2 to 4, to what extent do you agree or disagree that each of these proposals provide an appropriate level of support? If you disagree with any of these features, there are some opportunities to suggest how it should be altered.

Option 1 - Retain scheme at current level (85% of total liability is the maximum which can be claimed) and fund the cost via an increase in Council Tax charges.

Strongly agree

Option 2: Change the scheme to provide 80% of total Council Tax liability as a maximum

Strongly disagree

Option 3: Change the scheme to provide 75% of total Council Tax liability as a maximum

Strongly disagree

Option 4: Capital Savings Limit – restrict to maximum £10,000

Neither agree or disagree

Option 5: Capital Savings Limit – restrict to maximum £6,000

Neither agree or disagree

Option 6: Remove Second Adult Rebate

Neither agree or disagree

Option 7: Restrict the maximum support available to 85% of the Band C Council Tax charge

Strongly disagree

Option 8: Restrict the maximum support available to 85% of the Band D Council Tax charge

Strongly disagree

Option 9: Restrict backdating of new claims to a maximum of 4 weeks

Neither agree or disagree

Option 10: Remove the Family Premium from the Applicable Amount for Council Tax Reduction Scheme claims

Strongly disagree

Q2 Please comment if you feel that the proposed changes will affect particular individuals or groups more than others and, if so, what you think the Council should do.

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. Unlike some London authorities who exempt lone parents, disabled claimants and other groups, Bexley offers no such protection.

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. We are also concerned that option 10, which would remove the family premium, will hit BME families disproportionately as they statistically more likely to have larger families.

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.

Q3 If you have any further comments you wish to make about the proposals please tell us here.

Z2K's research on the impact of the localisation of Council Tax Benefit has shown that the minimum payment required by the council's Council Tax Support (CTS) scheme is already pushing Bexley'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 Bexley's poorest residents, therefore although we support option 1 as the least worst option we would urge the council to go further.

We strongly object to the proposed options two and three, which amount to increasing the minimum payment required by Bexley's Council Support Scheme to 20% or 25%. 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.jrf.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.

Bexley's current minimum council tax payment is already a substantial burden on low income residents. For the vast majority of 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 Bexley 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 Bexley faces an annual charge of £216.90, which is equivalent to four and a half weeks, or 6%, 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 court summons issued to 5,612 claimants in Bexley in 2014/15. Our experience supporting vulnerable debtors is that the vast majority aren't refusing to pay, they simply can't.

When Bexley increased its minimum payment in 2014/15 the number of summons more than doubled from 2,084 in 2013/4 to 5,612 in 2014/15, yet no mention of this is made in the consultation documents. With an even higher minimum payment in 2015/16 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. The impact will be larger still if the minimum payment is increased further in 2016/17.

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 Bexley 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.

We object to the assertion in the consultation that CTS funding has reduced year on year. While it is true that Bexley, 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 stated 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)

While we have less strong opinions on lowering the capital savings limit and abolishing the second adult rebate these changes could have some perverse impacts. Lowering the savings threshold creates a strange situation where someone with £6,000 to £16,000 in savings could be entitled to housing benefit and jobseeker's allowance, but is expected to pay the full rate of her/his council tax. However if the council were to make any of the changes outlined in this consultation these would be the least worst options.

We understand that the financial pressure of the initial 10% funding cut placed Bexley 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 2, 3, 7 and 8 outlined in the consultation, but also call for Bexley 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.