

**The options being considered by the Council are that the maximum level of support provided to working age claimants be restricted to 81%, 75% or 70%. For example, a restriction set at 75% would require working age claimants to pay a minimum of 25% of their liability. How much do you believe that working age claimants should pay towards their Council Tax?**

**Please choose only one of the following for each of the years.**

**Year 2016/17 (Required)**

19%

**Year 2017/18 (Required)**

19%

**If you think that the Council should make an additional contribution from its own finances, how do you think this should be funded? In particular, should the Council increase Council Tax or cut other Council services or use the Council reserves, or all three?**

Increase Council Tax

**If you think services should be cut or have another suggestion, please write your answer below**

**Do you agree there should be a hardship fund?**

Yes

**Do you agree the level of funding at £100,000 is correct?**

No

**If you disagree please write your answer below**

While we would prefer Bromley to offer 100 per cent support, we recognise that it is better to offer additional support where a minimum payment is required than not. However, the limited use of Bromley's hardship fund in previous years demonstrates that there is much work to be done to better utilise the fund.

In 2014/15 only £7,000 was awarded out of the £100,000 fund, to a total of 31 successful applicants. This means only 7 per cent of the fund was spent. These figures demonstrate that an urgent review of the hardship fund is necessary to ensure those who need help from the fund receive it. As the number of claimants in Bromley issued with court summons for non-payment demonstrate there is no lack of demand for the hardship fund. Instead the problem must be either a lack of promotion or too stringent eligibility criteria. Bromley must look at ways promotion of the fund can be improved, for example by including instructions on how to apply with summons notices. The authority should also examine any rejected applications to see if the eligibility criteria can be adjusted. Unspent hardship funds should certainly never simply be returned to the general fund when so many claimants are being served with court summonses and associated costs for arrears, if there is an underspend funds should be rolled over for the next years fund.

If the council is unable to improve take up of the hardship fund it may well be better for Bromley to either exempt particularly vulnerable groups from the minimum payments or roll the funding into the council tax support scheme budget and lower the minimum payment for all claimants.

## **Are there any changes you would like to see to the Council Tax Support scheme for 2016/17 to 2017/18 or general comments regarding CTS?**

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 Bromley'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 Bromley's poorest residents, therefore, although we support retaining the minimum payment at 19% as the least worst option, we would urge the council to go further.

We strongly object to increasing the minimum payment required by Bromley's Council Support Scheme to 25% or 30%. 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.

Bromley'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 Bromley 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 Bromley faces an annual charge of £251.77, which is equivalent to three and a half weeks, or 6.5%, 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 3,615 claimants in Bromley in 2014/15, and a total of 6,511 claimants in arrears in the same year. Bromley referred 2,194 of these claimants to bailiffs in 2014/15, an increase of 19% on 2013/14. Our experience supporting vulnerable debtors is that the vast majority aren't refusing to pay, they simply can't.

If Bromley were to raise the minimum payment to 30 per cent it be the highest in London, joint with Harrow, while 25 per cent would make it the second highest. These proposed increases will undoubtedly have a significant impact on the boroughs poorest residents with a definite increase in the numbers unable to pay.

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. This consultation however provides no such information. Indeed the consultation is remarkably light on information of any sort, even lacking illustrative examples of how the proposed increase in the minimum payment would affect claimants.

Without providing this information the authority has prevented Bromley 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 been cut further. While it is true that Bromley, 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)

We understand that the financial pressure of the initial 10% funding cut placed Bromley 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 Bromley 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.