

## **To what extent do you agree or disagree with Proposal One?**

Strongly disagree

### **Please tell us more about why you disagree with Proposal 1:**

Z2K strongly objects to the proposal to reduce the support available under Hillingdon's Council Tax Reduction (CTR) scheme. Our research on the impact of the localisation of Council Tax Benefit has shown that the minimum payment required by the council's CTR scheme is already pushing Hillingdon's most deprived residents deeper into poverty. Further cuts to support would only serve to entrench this. Rather than reduce funding for the CTR scheme, we urge the council to reduce the payment burden on Hillingdon's poorest residents.

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.

Hillingdon already has a minimum council tax payment that, at 20%, is amongst the highest in London. For the vast majority of CTR 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 Hillingdon 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 Hillingdon faces an annual charge of £281.58, which is equivalent to almost four weeks, or 7.5%, 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 4,215 CTR claimants in arrears in Hillingdon in 2014/15 and summons issues 3,509 claimants in the same year. Our experience supporting vulnerable debtors is that the vast majority aren't refusing to pay, they simply can't. All 3,509 Hillingdon CTR claimants summonsed were charged court costs, exacerbating an already unaffordable debt, while 489 had bailiffs engaged against them.

Any increase in the Minimum Payment required by Hillingdon's CTR scheme is likely to mean more claimants are unable to pay and lead to rise in court summons and claimants in arrears. This has been the experience of other London boroughs who have cut CTR support.

Any assessment of the proposals contained within this consultation should be undertaken on the basis of the fullest possible information and in light of this likely impact. 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 Hillingdon 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.

While it is true that Hillingdon, 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 Hillingdon 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 opposes proposals 1, 2 and 3 outlined in the consultation, but also call for Hillingdon 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.

### **To what extent do you agree or disagree with Proposal 2?**

Strongly disagree

### **Please tell us more about why you disagree with Proposal 2:**

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 Hillingdon recognises disabled claimants as a vulnerable group and thus exempts them. However it is extremely worrying that the council should propose to introduce a minimum payment, albeit at a reduced rate, for these groups.

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 vulnerable groups, in particular disabled people, we hope that the council will be paying due regard to it's Public Sector Equality Duty and undertaking a full and detailed equalities impact assessment before coming to a decision.

**To what extent do you agree with the four parts of Proposal 3, as described above?**

*Restrict backdating of claims to a maximum of 4 weeks from 3 months for working age claimants.*

Neither agree nor disagree

*New working age claimants would no longer receive the family premium.*

Strongly disagree

*Capital/savings disregard to be reduced from the current £10,000 to £6,000 (as described above).*

Neither agree nor disagree

*Increase non dependant charges for working age households (as described above).*

Strongly disagree

**If you disagree with any of the elements of Proposal 3, please tell us why:**

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.

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.