



SOUTHWARK LEGAL ADVICE NETWORK
working together to provide high quality advice

Response to the Consultation on the future of Council Tax Benefit

It is our view that in light of the radical changes currently in process in Welfare Benefits as a whole and the impact on Southwark's residents of the economic depression, the Council Tax Support Scheme should retain all (or virtually all) the current features of the current Council Tax Benefit scheme.

The challenges facing residents on the lowest incomes in the coming few years, on account of the introduction of Universal Credit, 'Bedroom Tax', the Benefit cap etc. mean this is the worst possible time to make all households below pensionable age on very low incomes take on the responsibility for paying Council Tax.

We recognise that the typical amounts proposed under the draft scheme are not large but for someone whose only income for example is JSA of £71 per week or £56.25 if under 25 per week, finding an additional £2.70 per week (based on Band B) will be extremely difficult.

We are well aware of the severe pressure on the Council's finances as a whole, due mainly to government grant cutbacks, and also that to date the majority of councils that have commenced public consultation are proposing that all (or most) non pensionable households will have to pay at least 10% of their standard council tax bill. However, it is notable that some councils in London (e.g. Merton and Tower Hamlets) and councils elsewhere are planning to maintain the level of the current Benefit system.

One of the ways in which the shortfall of £2.8m might be covered is to continue to improve collection rates. If Southwark's collection rate of 94.5% (2011-12) could reach 97% then the bulk of the shortfall would be covered.

We are also concerned that the actual amount of council tax collected from those who currently receive 100% benefit, net of administration and court costs, will be small. This would have the effect of further reducing the Southwark collection rate.

Another council, for example has estimated that as much as 30% of the total additional tax will not be collected and in addition there will be substantial additional costs incurred. For example, the cost of each Liability Order secured from the Court for non payers will be £95, a very substantial sum when set against a typical proposed net tax liability of circa £150-200 for 2013-14 for someone who currently receives 100% benefit.

In summary, therefore, the current proposal may well not achieve its financial objectives, will reduce the already low living standards of the poorest in the Borough, and will put a number of residents at severe risk of financial exclusion on account of council tax debts.

To reiterate our position we do not feel that Southwark should bring in a scheme to collect Council tax from people on the lowest incomes, who are being hit by the other changes to welfare benefits. Should it, however, be considered impossible for Southwark to retain the current system we would urge that careful consideration be given to a range of measures that minimise the negative impact on the disadvantaged and lowest income residents which are listed below:-

- Phased introduction of the scheme – e.g. maximum payment in Year 1:5%, Year 2: 10%, Year 3: 15%
- Ceiling support based on B and D or E (i.e. those living in higher bands not to receive higher support)
- Increased allowances for non dependants living in household (i.e. when calculating income)
- Aligning capital ceiling with £8,000 proposed for Universal Credit (i.e. no 'taper' between £8,000 and £18,000)
- Creation of a sizeable hardship fund (e.g. for backdating support for those on lowest income)
- 100% support for households with someone with severe disability
- 100% support for single parents with children under 5 years

Collection Process

Does the local authority intend to revisit its collection and recovery of arrears provision?

Council Tax Exemptions

We don't know how well it is known that people with severe and enduring mental illness do not need to pay council tax, or how many exemptions there are in Southwark.

Perhaps it will be helpful if more people in this category can be helped towards exemption. The information on the Southwark Website is factually correct but does not particularly encourage people to apply http://www.southwark.gov.uk/info/200028/council_tax/130/council_tax_exemptions/3
The online form does not appear to be currently available.

A person is considered severely mentally impaired if they have a severe impairment of intelligence and social functioning and this impairment appears to be permanent. This might be, for instance, because they have a condition such as Alzheimer's disease, have had a stroke, or have severe learning difficulties. To qualify for the

discount they will need a certificate from a registered medical practitioner confirming this.

Currently they must also be entitled to one of a number of specified benefits which include:

- Disability Living Allowance at the middle or highest rate of the care component).
- Attendance Allowance.
- Constant Attendance Allowance.
- Severe Disablement Allowance.
- Incapacity Benefit.
- Income Support or Income-Based Jobseeker's Allowance where a disability premium is included.
- Employment and Support Allowance.
- An increase in disablement pension for constant attendance.
- The disability element of Working Tax Credit.
- Unemployability supplement.
- Unemployability allowance.

If you live with the person you care for and they satisfy the rules above and you satisfy the rules to be a carer for Council Tax purposes, then both you and the person you care for can be ignored. **This would also point to the need for a general take up of disability benefits to help protect disadvantaged residents from the worse effects of welfare benefit cuts.**

In 2010/11 3421 people were on GPs registers for severe long term mental illness. 753 were on GPs registers for dementia (This is thought to be a very considerable under-estimate - Alzheimers UK estimates the real number of people in Southwark with dementia may be twice that.) Many of these people will be getting pension credit/AA however given the fact that paperwork is difficult for people with dementia, it is hard to be sure. Source of info: <http://www.gpcontract.co.uk/browse/5LE/11>

Consultation Process

We appreciate that that there is no 'best' way to conduct a consultation process and also that timescales are particularly tight. We do believe however, that there is sufficient time before the final proposals are agreed by Council, to analyse the results of consultation and to organise a final consultation meeting with interested groups who represent and or work with Southwark residents who will be most affected by the proposals. Lewisham Council is holding a meeting for agencies who support local residents on the 8th October, and we would urge Southwark Council to hold a similar meeting

11th September 2012 :

Sally Causer – development manager

On behalf of SLAN partners