





**Brighton & Hove
City Council**

Council Tax Support Scrutiny Panel

Title:	Scrutiny Panel on Council Tax Support
Date:	17 September 2012
Time:	10.00am
Venue	Committee Room 1, Hove Town Hall
Members:	<p>Councillors: Phillips (Chair) Cox Pissaridou</p> <p>Co-optee: Friggens</p>
Contact:	<p>Sharmini Williams Overview & Scrutiny Support Officer 01273 290451 sharmini.williams@brighton-hove.gov.uk</p>

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AGENDA

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|-----------|-------------------------------|---------------|
| 1. | Procedural Business | 1 - 2 |
| 2. | Chair's Communications | |
| 3. | Call for Evidence - Witnesses | 3 - 14 |

10 -10.45am - John Holmström- Brighton Housing Trust

10.45 -11.05am Lisa Dando – Brighton Women's Centre

15 mins break

11.20 – 11.40am Julie O'Hara- Brighton Unemployed Centre Families Project

11.40am – 12pm Angie Emerson – Welfare Rights

12 – 12.30pm - Emma Daniels –Community Voluntary Sector Forum

4. AOB

Next meeting will be on Monday, 1 October 2012, at 10am Committee Room1. Hove Town Hall

The City Council actively welcomes members of the public and the press to attend its meetings and holds as many of its meetings as possible in public. Provision is also made on the agendas for public questions to committees and details of how questions can be raised can be found on the website and/or on agendas for the meetings.

Agendas and minutes are published on the council's website www.brighton-hove.gov.uk. Agendas are available to view five working days prior to the meeting date.

Meeting papers can be provided, on request, in large print, in Braille, on audio tape or on disc, or translated into any other language as requested.

For further details and general enquiries about this meeting contact Sharmini Williams, (01273 290451 – email sharmini.williams@brighton-hove.gov.uk) or email scrutiny@brighton-hove.gov.uk

12 September 2012

Agenda Item 1

PROCEDURAL BUSINESS.

A. Declaration of Substitutes

Where a Member of the Committee is unable to attend a meeting for whatever reason, a substitute Member (who is not a Cabinet Member) may attend and speak and vote in their place for that meeting. **Substitutes are not allowed on Scrutiny Select Committees or Scrutiny Panels.**

The substitute Member shall be a Member of the Council drawn from the same political group as the Member who is unable to attend the meeting, and must not already be a Member of the Commission. The substitute Member must declare themselves as a substitute, and be minuted as such, at the beginning of the meeting or as soon as they arrive.

B. Declarations of Interest

- (1) To seek declarations of any personal or personal & prejudicial interests under Part 2 of the Code of Conduct for Members in relation to matters on the Agenda. Members who do declare such interests are required to clearly describe the nature of the interest.
- (2) A Member of the Overview and Scrutiny Commission, an Overview and Scrutiny Committee or a Select Committee has a prejudicial interest in any business at meeting of that Committee where –
 - (a) that business relates to a decision made (whether implemented or not) or action taken by the Executive or another of the Council's committees, sub-committees, joint committees or joint sub-committees; and
 - (b) at the time the decision was made or action was taken the Member was
 - (i) a Member of the Executive or that committee, sub-committee, joint committee or joint sub-committee and
 - (ii) was present when the decision was made or action taken.
- (3) If the interest is a prejudicial interest, the Code requires the Member concerned:-
 - (a) to leave the room or chamber where the meeting takes place while the item in respect of which the declaration is made is under consideration. [There are three exceptions to this rule which are set out at paragraph (4) below].
 - (b) not to exercise executive functions in relation to that business and
 - (c) not to seek improperly to influence a decision about that business.
- (4) The circumstances in which a Member who has declared a prejudicial interest is permitted to remain while the item in respect of which the interest has been declared is under consideration are:-

(a) for the purpose of making representations, answering questions or giving evidence relating to the item, provided that the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise, BUT the Member must leave immediately after he/she has made the representations, answered the questions, or given the evidence,

(b) if the Member has obtained a dispensation from the Standards Committee, or

(c) if the Member is the Leader or a Cabinet Member and has been required to attend before an Overview and Scrutiny Committee or Sub-Committee to answer questions.

C. Declaration of party whip

To seek declarations of the existence and nature of any party whip in relation to any matter on the Agenda as set out at paragraph 8 of the Overview and Scrutiny Ways of Working.

D. Exclusion of press and public

To consider whether, in view of the nature of the business to be transacted, or the nature of the proceedings, the press and public should be excluded from the meeting when any of the following items are under consideration.

NOTE: Any item appearing in Part 2 of the Agenda states in its heading the category under which the information disclosed in the report is confidential and therefore not available to the public.

A list and description of the exempt categories is available for public inspection at Brighton and Hove Town Halls.

Written submissions for the Council Tax Support Scrutiny Panel

Brighton Women's Centre

Brighton Women's Centre (BWC) is a woman-only organisation, supporting vulnerable and socially excluded women in Brighton and Hove for over 38 years. We are the lead for the Women's Services Strategic Network (WSSN) a partnership of the women only services in the city.

The services we offer include:

Open Access Drop-In Service
Welfare Benefits Advice Service
Personal Development Courses
Counselling
Health Walks
Volunteer Training programme
Holistic Therapies
Inspire, partnership project – working with women offenders
Ofsted Registered Pre-school

Case loads for the year 2011/12 were as follows:

Drop-In Services – 1,865 contacts – increase of 30% on 2010/11
Welfare Benefits Advice Service - 63 women with 130 appointments
(An increase in overall income for clients over the year of £42, 507.40 confirmed and a possible £6559.80 unconfirmed)
Personal Development Courses - 125 applications, 67 places provided
Counselling – 230 women applied, 147 women received counselling
Inspire – 169 women offenders supported
Pre-school – 84 children
Volunteer hours – over 2,000 hours

Observations about the proposed change to Council Tax Support

Draft Brighton & Hove Council Tax Low Income Discount Scheme states that:

The Council Tax discount for people of working age will be assessed on the basis of 90% of full Council Tax liability. The earnings disregard for couples (£10) or single parent families (£25) will remain the same as under Council Tax Benefit.

- The disregard for couples with families is not sufficient to support a family on a low wage and those returning to work from periods of unemployment.

There will be a limit on the extra amount any household has to pay of £3 per week from 2012/13 to 2013/14 as a result of the change to Council Tax Discount assuming there are no other changes in circumstances

- Families on low incomes, living in households in higher Council Tax band properties will struggle to find even an additional £3 per week

BWC is concerned that the impact on women who are already disproportionately impacted by the Government Cuts – see information in Appendix – will be further impacted since:

- the vast majority of single parent families in the city are headed by women – 94.4 % and single parent households account for 70% of all out of work households.
- women are less likely to be economically active, 61% compared to men and earn £34 per week less than men (Reducing Inequalities Review, Brighton, 2007).
- Brighton and Hove has significantly higher numbers of children living in poverty (Child Poverty Needs Assessment, Brighton and Hove 2010-11) than other areas of the UK. 22% (10,555 children of which 72.8% live in single parent families and 77.5% live in out of work families).
- those living on minimum incomes/subsistence level will suffer and may not be able to cover their cost of living.
- this combined with the changes to other welfare benefits will push women and women with children deeper into poverty.
- further financial exclusion will result in dependence on loan sharks and payday loans.

BWC is concerned that our already over-subscribed services will not be able to meet the demand of more women in need of additional support due to the impact of further 'cuts' to income.

- The Welfare Benefits Service will be further stretched to support women struggling to make ends meet.
- The demand on food parcels through our food donation scheme will increase – we hand out 20 bags of food per week to women in need

BWC notes that the long term impact on the State will result in the need for re-investment in services due to increased demand for social/welfare support as a result of the impact of living in poverty, e.g. mental health services

Appendix

BWC response to the disproportionate impact of the Government ‘cuts’ on women

We note with concern the:

- Recent changes to the Equality Act removing section 78 which forced larger companies to perform annual gender audits.
- Cuts to Legal Aid with the justice department acknowledging that women would be the hardest hit by the cut in funding for family law and divorce cases.
- The number of women claiming unemployment benefits is the highest for 15 years and cuts to the public sector continue. Women make up almost two thirds of the public sector workforce.
- Research by Coventry University suggests that cuts to other benefits will cost women £30 million, compared with just under £12 million for men.
- **The gender pay gap is set to widen: the divide between men and women’s pay is more than 20% in the private sector and less than 12% in the public sector. With redundancies rising in the public sector, women will have to find jobs in the private sector widening the average pay gap of 14% even more.**
- Cuts in funding for Esol courses will affect women since free places will only apply to people on benefits actively seeking work. Three quarters of students are women on ‘inactive’ benefits.
- **Cuts to maternity grants, child benefits, closures of SureStart centres, after school clubs all affect women disproportionately, especially lone mothers on low incomes. Single parent families are mostly headed by women. For many women, child benefit is the only source of income they receive directly.**
- Cuts to tax credits. SureStart and after school clubs create further barriers to employment for single parents.
- Cuts to Housing Benefits will hit single parents (most of whom are women) the hardest; requiring some families to move away from support networks, affecting children’s performance at school and placing them in less economically successful areas with reduced employment opportunities.

- Women are in the majority as carers – informally to family members and professionally – meaning they will be more greatly affected by the cuts in social care departments.
- One in five people give up work to care and the vast majority of these are women. 74% of carer's allowance claimants are women.
- Cuts to social care services will affect women disproportionately as women live longer and are more likely to depend on social care services due to age-related disability or chronic illness or mental illness (women are more likely to suffer from anxiety and depression).

Brighton Women's Centre (September 2012)

Welfare Rights Team

Our concerns re the new system are all expressed in the full knowledge and understanding that the council have been handed an impossible task from central government but we do have some specific comments:

1. Exemptions

Firstly we would really like to see the new system protect the principle that some claimants should have a full rebate. The proposed discretionary help will not, in our experience, reach the people who really need it the most. Our suggestions for the most vulnerable groups who should at least be considered for a full rebate are:

a. The disabled.

This becomes more urgent because Disability Living Allowance (DLA) is due to be replaced by Personal Independence Payments (PIP) in June 2013 with a 20% cut in the budget so many disabled people will already be facing cuts in vital income and are already affected by housing benefit cuts and the claiming process for Employment and Support Allowance where many are left on low rates of benefit for over a year whilst appealing decisions. Most people with a shortfall in housing benefit who we see are maintaining tenancies with DLA money. There are a number of ways to identify the most vulnerable disabled people and we would be happy to make suggestions, focusing on disabled claimants on out of work means tested benefits.

b. Carers. Carers are facing a number of cuts under the proposals for universal credit but even before that benefit is introduced they are some of our most vulnerable clients, they are saving the council huge amounts of money and they are finding it increasingly difficult to make ends meet under the current climate if they are relying on out of work means tested benefits.

c. Young people, the under 25 age group who are out of work and on means tested benefits are facing considerable difficulties in the current climate, their benefit rates are much lower than for 25+ (56.25 rather than 71.00 per week). They are also affected by the shared accommodation rules in housing benefit and many have shortfalls in their rent to make up from their weekly money. It does not seem practical or desirable to make further claims on such a small amount of money for living costs. When we speak to young people they are rarely receiving the full 56.25 per week because they are having deductions at source to repay social fund loans or other debts already. There is no room in such a small allowance to pay for emergencies or one off items and where the young person does not have family support they inevitably get into debt. We are used to seeing people living on weekly payments of around £35 per week after deductions.

2. Collectability

We are extremely concerned that people who have nothing will be facing court action for small amounts of money they cannot afford to pay. Court action inevitably adds to debts and to anxiety.

Over 50% of the stock of claimants on incapacity benefit in the city are claiming because their primary health problem is mental health. We see people who are crippled with stress and anxiety due to the stringent assessment processes currently underway with Employment and support allowance. We have trained people working in mental health who are clear that there have been admissions to Millview because of that assessment process, we are very concerned about the impact of court action on people living with mental health problems in the city.

There will be many people who are unable to pay the council tax bill and we feel that a system of automatic exemptions for some vulnerable groups but also a bias towards those with the least paying the least may be a more practical balance than the principle of spreading the support as widely as possible. We understand that this would effectively remove or severely restrict support for the working poor and fully recognise the undesirable impact on that group and would argue that this is where discretionary help would be best targeted.

3. Universal Credit

There are many issues around the new means tested benefit and how it will interact with our system of council tax support. It is important to recognise that the new scheme will probably have to alter when the new benefit is introduced gradually from October 2013.

Further information is that the point about Universal Credit has been allowed for by the yearly review. So our position really boils down to the one point about exemption, which also covers the collectability issue.

If the scheme exempted means-tested working age benefits (Employment and Support Allowance (ESA) income related, income based Jobseekers Allowance (JSA) and income support) it would include the groups we raised concerns about.

- Out of work carers would usually be on income support;
- The majority of out of work people with a disability would be on ESA income related including those awaiting appeals who are on a reduced period whilst that happens;
- The Under 25 age group would be on JSA or income support.

We do understand from the people working so hard to draw up the scheme in enough time, that if we did exempt those groups, we would drop most of those

in any work even low paid, out of the scheme altogether which is a horrible choice to make. Our position would just be to clarify that choice.

YMCA

What YMCA advice services do:

Sussex Central YMCA is a large charity supporting children, young people and families across Sussex. Our advice services mainly serve Brighton and Hove, via our youth advice centres: one in Hove (YAC) and one in Moulsecomb (Safe & Sorted), and also our specialist housing advice service based in Ovest House, West Street. Our youth advice centres work with young people up to the age of 25 and support young people on a wide range of issues, including welfare benefits.

-The current situation – main areas of advice issues re existing system of Council Tax benefits, any trends

We've not had many issues raised re council tax benefits before at Youth Advice Centre which is where I work so don't feel able to comment on this one – many of our young people (YP) either live at home still, or are in supported accommodation and we don't feel they really see the distinction between housing benefit and council tax benefit.

-Observations about the proposed change to Council Tax Support, potential impact on vulnerable young people; other groups of council tax payers

See email below for more comments. I know staff at the advice centres have a concern that young people will struggle to budget with extra financial responsibilities, and some of our clients are very vulnerable and need a lot of support and targeted work re money management. We have concerns about young parents who may struggle more financially and may need to move to lower banded accommodation – which could impact on other areas of their life – eg social isolation and nursery placements

-Suggestions for the future?

Good to see there will still be some recourse to financial assistance for those most vulnerable – just need to make sure advisers are aware of the criteria and how to support young people to access where appropriate.

Some of the feedback given regarding YP

- lack of banks willing to give YP bank account (most cases they will not have ID)
- concerns around how YP will afford to pay 10% of their bills as already on low income, lead to more debt
- concerns around criminalisation of YP who do not pay
- concerns around how bills are processed & presented to YP, some YP will not have skills to understand, will not bring to staff – local authority need to review administration system (if changes made at what cost?)
- with universal credits – changes to eligible service charges – some cost may have to be re-directed to YP, again will impact.
- may impact on move on options – if offered a self contained flat and not getting 100% relief will have to pay council tax along with other utilities bills, therefore will not be an affordable option to YP

- strain placed on front line staff resources and advice centres dealing with enquires and offering additional support



Brighton Unemployed Centre Families Project
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Email: info@bucfp.org
www.bucfp.org

Brighton Unemployed Centre Families Project provides practical support, education and services for the unemployed and those in poor housing, claimants, pensioners, unwaged people and those on low incomes. The Project was set up in 1981 and is run by Centre volunteers for the benefit of all users.

The Centre's Welfare Rights service offers free, independent advice, help with form filling, advocacy and representation at social security appeal tribunals. The service gets daily referrals from Jobcentre Plus (which is about 100 yards away), and frequent referrals from BHT, CAB, Mind and the Substance Abuse services. The Centre as a whole is a safe space which is very much appreciated by people who are affected by poor mental health or who are vulnerable for other reasons. Often using the advice service will lead to general Centre use of the crèche, laundry or education opportunities etc. and can lead to greater involvement by volunteering in one or more of the project areas from the allotment to running a creative writing course.

I have been co-ordinating the advice service at the Centre for nearly 12 years, having previously worked for the CAB running advice surgeries in Whitehawk for many years. The Centre's Welfare Rights service is delivered by myself and eleven volunteers, several of whom have been volunteer advisers for over four years.

We are increasingly concerned by the lack of actual help available to deal with increasingly complex benefit matters – many of the people that are referred to us have poor or no literacy or numeracy skills and need support to be able to make a phone call let alone to understand a letter. They generally have budgeting problems and these problems are noticeably more acute for unemployed single people – especially young single people. Families will typically have several sources of income: income support or employment and support allowance, child benefit and child tax credit - plus housing benefit will be paid to them if they live in privately rented accommodation; single people will have only job seeker's allowance or employment and support allowance – plus housing benefit, possibly.

At our weekly work meetings, the Centre's welfare rights group regularly look at how benefit issues are reported in both the local and national press; over the last few years – when unemployment, especially youth unemployment, has become such an issue – there has been a notable increase in “red top” language – “scroungers”, “parasites,” “layabouts”, “spongers” – infiltrating all levels of reporting. Yet anyone, or anyone's child, can now face the issue of unemployment/redundancy.

The examples provided by the consultation process so far – running with the model that every household should pay a “small” amount of Council Tax – do not address the issue of the single claimant.

Only this week, we met with a single claimant in his 40s who had been unemployed since leaving prison four years ago. He had been living in move- on accommodation for two years and had just been offered his own one bedroom flat. Something to celebrate in many ways, but for someone on Jobseeker's Allowance of £71pw a real challenge and worry. £5pw of this claimant's JSA was taken as child maintenance by the CSA, £5pw was also deducted at source to pay an outstanding court fine. He has £61pw to pay for fuel, water charges and to feed and clothe himself and to look for work. Taking any “small amount” – even £1 or £2 p.w. – will put him one step back in his establishing a new home with new expenses to budget for.

Now take a graduate, 23-24 years old perhaps, made recently redundant by a bank or IT company who are “slimming down” operations. When this graduate signs on to claim JS, they will receive only £56.25pw – again to pay everything, including work search costs.

The irony in all of this is that if either of these two claimants try to improve their lot by doing some part time work, if they earn more than £5 it is deducted pound for pound from their Jobseeker's Allowance.

It seems to us that benefit levels for single people are so low – particularly when you think about surviving on benefit for months or years - they are actually an incitement to crime.

The new proposal seems reasonable and not harsh – BUT – please consider the effect on single people, who will be the hardest to track down, should they default on payment because, unlike families, they can – and need to – move around, not only in the city, but also within the country as a whole. These claimants at the moment enjoy full Council Tax Benefit, the changes as proposed so far in this consultative process could well have serious social effects.

The other major area of concern for all of the staff at BUCFP is the lack of understanding around Council Tax that exists within the community that uses the Centre as a whole. Most Centre users regard themselves as “exempt” – their term – from the need to pay Council Tax. There has been such a lack of information about Council Tax per se and little or no information about the rebate consultation process. The Welfare Rights Group has seen articles in the Sussex Express and the West Sussex Gazette both of which alert residents of those areas served to the fact that consultation is taking place – and the fact that the consultation process appears to longer than that which is being used locally in Brighton & Hove.

Many Centre users have such learning problems that budgeting for, as well as actually sustaining, regular payment of “small” Council Tax payments will – we know – give rise to collection problems. To this end we believe that it is very much in certain resident's interests – as well as that of the local authority - that exemption from payment on grounds of lack of mental capacity be drafted into the rebate provisions.

Finally, we wish to acknowledge that the local authority have been passed an unprecedentedly difficult task by central government – probably under the auspices of “localism” – and all those involved have our every sympathy in the struggle with the task ahead of them both in respect to Council Tax and also the Social Fund.

Yours sincerely

Julie O'Hara

