

Submission to Council Tax Support Scrutiny Panel 17 September 2012

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Introduction

This submission sets out some general points on behalf the Brighton and Hove Advice Partnership and then some more specific points from Brighton Housing Trust's Advice Service on the proposed Council Tax Support Scheme.

Brighton and Hove Advice Partnership General Comments

The Brighton and Hove Advice Partnership is a member of the Local Strategic Partnership. Advice Partnership members include the Chair of the Advice Services Network (who is the vice chair of the Partnership), advice providers and representatives from the Council and Health. Paul Sweeting is the Partnership's project officer funded through the Big Lottery Advice Plus programme.

The Advice Partnership was very pleased to work with CVSF to help the Council shape its Council Tax Support Scheme. The consultation event 13 June was judged to be very successful. We are pleased to see it fully noted in papers for the Scrutiny Panel.

The Advice Partnership met 12 September 2012 and confirmed the overall design of the Council Tax Support Scheme is a sensible way to mitigate the worse impacts of the loss 10% of Council Tax Benefit on Brighton and Hove residents. It particularly welcomed the Council's proposal

- to absorb £1m of the £2.5m costs,
- to limit the impact to £3 per week for transition cases,
- to recognise that the lower level of benefits that under 25's are entitled to will require especial attention in terms of support
- to increase the earnings disregard from £5 to £10 per week for young people
- to make available £100,000 for exceptional hardship cases.

The Advice Partnership is pleased how the Council recognises the important role that advice services play in helping clients resolve money problems, and therefore the value to the Council to work closely with the advice sector, through completion of the design and implementation of the Support Scheme. A key factor will be how the Support Scheme is implemented and in particular the enforcement approach that will be taken. The advice sector will be able to assist resolve cases on an individual basis but it is also keen to take learning from these cases to assist reviewing how well the Support Scheme and Council Tax collection is working and make proposals for improvements.

The Advice Partnership is mindful that the Council has a very difficult task collecting a relatively small sum from around 10,000 residents who currently do not have to pay this as they receive 100% Council Tax Benefit. Residents who struggle to make payments are likely to have other pressures such as managing payment of rent direct for social housing tenants for first time, lower levels of

LHA, reduction in disability benefit payments, higher utility costs and when Universal Credit starts struggling to manage cash flow with monthly payments.

The Advice Partnership believes it is imperative that Council Tax Support Scheme is linked to Discretionary Housing Payments and the Social Fund. It is important the Council continues to integrate planning to manage Council Tax changes with other social welfare changes. Council Tax arrears cases could operate as an early warning for other problems such as rent and mortgage arrears or a deterioration in mental health due to the stress of debts. There needs to be a joined up approach which avoids for example eviction due to residents prioritisation of Council Tax over rent arrears. This is bad for residents but the subsequent homelessness will also end up creating a higher net cost to the Council. Advice agencies are well placed to monitor how joined up landlords, the Council and other key priority creditors such as water and utility companies are, from a resident's point of view.

Advice agencies are also well placed to engage residents to resolve money problems due to their independence and technical/practical expertise. Unfortunately public expenditure cuts are affecting the advice sector badly – in particular with the loss of legal aid from April 2013 for debt/benefits cases and the early intervention for rent and mortgage arrears cases. It is important therefore that resources are found to ensure it retains capacity to meet the increased demands that will be made on it with the wider social welfare reforms.

Comments from Brighton Housing Trust Advice Services

BHT provides a specialist legal service in housing, debt, welfare benefits, community care and immigration mainly funded by legal aid. It does this through its team of solicitors, legal caseworkers and volunteers. Its overall caseloads are as follows:

Cases opened 2011/12

Immigration	701	18%
Housing Advice	1,503	38%
Housing court duty	312	8%
Accommodation Advice and Assistance	650	17%
Community Care	45	1%
Welfare Benefits	434	11%
Debt	267	7%
Total	3,912	100%

- 35% clients belong to a BME group
- 42% clients have either a disability, addiction or suffer from mental or physical ill health

Council tax issues arise mainly in housing, debt and welfare benefits cases and therefore in the majority of cases. For the most part Council Tax is not central to a case – generally the advice reinforces that Council Tax is a priority debt which has to be paid otherwise ultimately the Council has the sanction of imprisonment. It becomes more central in rent/mortgage arrears and debt cases. In 2011/12 707 cases fell into this category. Council Tax Benefit is normally dealt with as part of advice on Housing Benefit which is significant in the 434 welfare benefits cases but also most housing and accommodation advice cases.

Council Tax debt and enforcement has remained fairly consistent as an issue in recent years. Clients often come to us at the point they have Council Tax Liability Orders. Caseworkers say that they find it generally easy to negotiate a reasonable agreement with the Council. However they do note that the Council does tend to use bailiff's perhaps before investigating other enforcement options such as benefit deductions or attachment of earnings. Council bailiffs are professional in their approach and helpful resolving with the Council realistic solutions. Indeed the bailiffs refer difficult cases to BHT for advice where they have concerns for the welfare of the resident or the issues are particularly complex.

BHT welcomes that the threat of imprisonment is very rarely used. Criminalising indebtedness would be retrograde.

The assessment of Council Tax Benefit is generally dealt with as part of Housing Benefit. Brighton and Hove City Council in our experience performs well compared to other authorities. This has been consistent over recent years. Generally cases turn on disputed facts (e.g. whether two people are a couple or purposeful deprivation of capital) and are normally resolved by negotiation, and rarely require being taken to appeal.

Suggestions for the Future

- Carefully review how enforcement is undertaken. Options will be narrowed with the advent of Universal Credit as benefit deductions are not expected to be allowed. However increasing reliance on bailiffs should not be seen as first option. The Council should consider whether earlier advice interventions could be a better use of resources than bailiffs and provide better outcomes for residents.
- Consider extending £3 per week cap beyond the proposed transition period.
- Agree with Advice Partnership and the Advice Services Network working arrangements on individual cases and how the advice sector can feedback their learning – for example through agreed monitoring and liaison meetings.
- Ensure plans are developed for vulnerable groups such as young people, people with disabilities, families with multiple needs etc
- Ensure Council Tax Support Scheme/Enforcement is integrated with wider responses to social welfare reforms (e.g. financial and digital inclusion, advice, community banking and fuel poverty) and other key stakeholders such as landlords (both private and social) to ensure a joined up approach.

- Consider how Council Tax arrears could be used for “early warning” for potentially more serious problems such as households at risk of eviction due to arrears or deteriorating mental health.
- Consider finding a shorter and more memorable name than “Council Tax Low Income Discount Scheme”

John Holmström

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