

BRIGHTON & HOVE CITY COUNCIL
SCRUTINY PANEL ON COUNCIL TAX SUPPORT

10.00am 17 SEPTEMBER 2012

COMMITTEE ROOM 1, HOVE TOWN HALL

MINUTES

Present: Councillor Phillips (Chair)

Also in attendance: Councillor Cox and Pissaridou

Other Members present: Friggens

PART ONE

1. PROCEDURAL BUSINESS

- 1.1 Declarations of interest; Rosemary Friggens, Panel co-optee, stated she was President of the East Sussex Credit Union and Trustee of RISE.
- 1.2 There was no party whip.
- 1.3 RESOLVED - the press and public were not excluded from the meeting.

2. CHAIR'S COMMUNICATIONS

- 2.1 The Chair welcomed everyone and explained that the process of this review was to gather evidence by hearing from organisations who come and speak in public to the panel, or by writing in or telephoning. The agenda and the addendum included written submissions.
- 2.2 The panel had set up 2 public meeting dates. The date of the second meeting was 1 October, at Hove Town Hall.
- 2.3 At the end of this review, the panel would agree a set of recommendations which would be based on the evidence heard. A report of the findings and recommendations would go to the decision making body for approval.

3. CALL FOR EVIDENCE - WITNESSES

- 3.1.1 **John Holmström (Assistant Chief Executive of Brighton Housing Trust (BHT) and Chair of the Advice Partnership** thanked the Scrutiny Panel for the opportunity to comment on the draft scheme. He has worked at BHT since 1984. He said BHT was the largest local specialist legal advice service, dealing with 4,000 cases April 2011 to

March 2012. It works closely with the Council e.g. with the Council Bailiff on Council Tax cases. BHT had worked on some 700 cases of council tax arrears.

- 3.1.2 Jackie Grigg is the chair of the Advice Service Network, a meeting of voluntary, statutory and independent advice and signposting organisations that had met since 1982 Jackie Grigg is the Vice Chair of the Advice Partnership. The Advice Partnership is member of the Local Strategic Partnership. This ensures the Advice Partnership therefore is connected at both a grass roots and strategic level.
- 3.1.3 From the Advice Partnership (AP) meeting last week there was general agreement that the proposals were probably the best that could be achieved. It could see that £2.5 million was too much of a funding shortfall for the council to absorb fully, while £1million would help soften the impact. It was pleasing that CVSF had been listened to, regarding the situation of young people and single working age adults, and other features of the draft scheme would be helpful to some households, and administration of the new scheme would be relatively straightforward.
- 3.1.4 However it was difficult for Local Authorities to find any win/win situation and Revenues and Benefits officers were working hard to grapple with the issues. Focussing extra help on one or other groups of vulnerable people would impact on others. The AP was aware of the constraints on options. It is only through implementation of the Council Tax Support Scheme that the Council find out more exactly how the scheme will impact on vulnerable groups. This will not be even e.g. there could be former students who are under 25 who come from better off families who pay an element of council tax; similarly, not all people with a disability would be unable to pay more.
- 3.1.5 John Holmström said there was limited benefit in looking to change the design of the proposals for the transition year in his view, but the effect of implementing them would be critical. A robust mechanism was needed to enable the Council to learn and adapt the scheme for future years. He said the additional costs of collection and especially enforcement of the new scheme will need to be balanced with revenues achieved The AP welcomed the draft Equalities Impact Assessment work that gave a good sense of the groups of households that may be more impacted by the changes.
- 3.1.6 The advice sector was in a position to help but it was a challenging time financially: after March 2013 all legal aid funding for debt and welfare benefits advice would stop. However it was a 'plus' that the advice sector's practical and technical expertise was well recognised. Advice agencies were closely involved and had comprised the larger part of the CVSF-hosted consultation event in August.
- 3.1.7 John Holmström said the Council Tax and Housing Benefit service was responsive, reliable and highly reasonable in his view and administered with a high level of competence. CT collection and enforcement was also reasonable; the Council's bailiffs were 'very professional' and there was good work to develop realistic payment plans for individuals.
- 3.1.8 However this was an opportunity to find any improvements that can be made in implementing CTS. It was at the enforcement stage that advice interventions were especially useful; creating a sense of urgency, an enforcement notice for people in

severe arrears could often mobilise action such as looking closely at their finances, begin formal banking arrangements e.g. with the credit union.

- 3.1.9 Advice services had a role helping learning from individual cases, refining and adapting where payments can be recovered and where not, dealing with practical issues; the advice sector however needed resourcing to make this contribution. The advice sector is very good at engaging clients as it is fully independent and confidential. Agencies had people's confidence and trust and were in a position to judge 'Yes, this is an objective expenditure sheet' for an individual.
- 3.1.10 The balance between enforcement and support was critical in his view. It was difficult to see how some people would ever be able to afford an extra £3 per week. The Council should continue to forecast costs to maintain this cap beyond 2014, and build this into its plans.
- 3.1.11 John Holmström said he would welcome more formalised joint working arrangements between the Council and the advice sector, including agreement on the 'feedback loop'. Regarding plans for vulnerable groups and people paying council tax for the first time, he said people struggle to pay CT bills - that may be relatively small in comparison with other debts - often because of other circumstances. e.g. domestic violence can lead to people resorting to payday loans. It was important to make sure that support groups e.g. for women, disabled, young people, gave their feedback on the transition year to inform the annual review. Financial Inclusion actions also need to be more joined up, he stated. Landlords, Council, utility and water companies etc all have different interests from Financial Inclusion strategies, and they must better join up around the needs of the individual resident.
- 3.1.12 Social Work Reform Group could be a good place to bring together these different interests to ensure a joined up approach. 13 Housing Associations and social landlords were more advanced developing their own financial inclusion strategies regarding vulnerable tenants. But the needs of landlords particularly in the private sector - that was relatively large but fragmented and included larger numbers of vulnerable tenants - also had to be well understood in the context of payments of council tax and arrears, as well as utility bills and other essential living costs. It was suggested that a private landlord representative(s) be invited to speak to the Panel.
- 3.1.14 The Panel commented that advice for affected households would be crucial and was reassured that preparatory work between the Council and Advice services was in progress.
- 3.1.15 John Holmström answered questions:
Regarding access to - and capability to use – financial services (credit, savings, accounts and advice): Universal Credit would be claimed on-line, so the effective use of the internet would be key. Digital inclusion was critical along with Financial Inclusion. Good independent advice could be complex and work with a client on a benefit appeal could many hours work over several months. BHT advice services worker attend court for housing possession cases and have been very effective helping tenants avoid possession [in 85% of cases]. More recently BHT housing support workers have also attended court duty possession cases and this has proven very effective to link clients

into support, at a moment of crisis in their lives but also when they are most open to benefit from support.

- 3.1.16 Re; the use of volunteers to answer basic questions on what is council tax and why do I have to pay? There is strong tradition of volunteering in the advice sector – notably by the CAB. There has also been some pleasing development such as volunteering in the libraries – but getting engagement and trust (such as paying bills on-line for the first time) takes time for everyone, even for people who may not be seen as ‘vulnerable’
- 3.1.17 Re: Discretionary help for the most vulnerable: generally, our experience and feedback on customer services is good - it is accessible and personal, giving good information. But it is a real challenge to reach vulnerable people, e.g. to let them know there is a discretionary fund. People do not tend to say ‘I am vulnerable – I need to speak to someone’ – they often ignore letters and bills for whatever reason. People need to know that they can apply. Feedback is especially important on the nature of the demand for hardship funds.
- 3.1.18 Re: personal visits to individuals struggling to pay council tax: Yes, it’s preferable to speak to people in person however that is resource intensive. We often know those concerned and better joined up and ‘smarter’ working protocols are needed; that requires resources.
- 3.1.19 Councillor Alex Phillips the Panel Chair commented that her family members had direct experience of poverty and asked what could be done when household income did not match core outgoings?
- 3.1.20 It is important to acknowledge in many cases people are being asked to do the impossible. There is no easy answer. Best we can do is help residents focus on improving income through maximising opportunities for paid income. However, when this is not achieved, , perhaps because of disability, then advice is given on keeping living costs down, and getting services and shopping more cheaply. This was an area where communities could support each other; eg people who do manage have experience to share with others. There was scope for advice services to work closer with housing officers and community development workers, for better outcomes.
- 3.1.21 There would always be unsolvable cases. A constructive approach to help prevent people getting into debt was to work ‘backwards’ in a worst-case scenario and formalise interventions early, by closer joint working.
- 3.1.22 Re; Take-up of discretionary funding; this needed to be consistent and evenly spread through the financial year.
- 3.1.23 John Holmström said that the simpler name ‘Council Tax Support Scheme’ was preferable.
- 3.1.24 Councillor Alex Phillips the Panel Chair thanked John Holmström for taking the time to give information and answer questions.
- 3.2.1 **Lisa Dando, Director, Brighton Women’s Centre (BWC)** thanked the Panel for inviting her to discuss the proposed changes to Council Tax Benefit and referred to her

paper summarising observations from BWC. BWC services are primarily delivered by volunteers. – It is imperative that volunteers are well-trained and well-supported as they deal with ‘harrowing’ cases. The Drop-In Service experienced a 30% increase last year and food parcels were now handed out to 20 people per week.

- 3.2.2 Commenting on the implications of the scheme on some women in the city, Lisa Dando said the increased earnings disregard for families was insufficient to make a difference. Even with a £3 cap, affected families would be in additional hardship that could be ‘devastating.’ There was evidence that more women were already running out of money mid-week, linked with the closure of breakfast clubs. Women were the head of many single-parent families and many out of work households. It was important to consider the local impact of the changes on child poverty.
- 3.2.3 Lisa Dando acknowledged that consultation had resulted in a ‘preferred’ scheme. However she felt strongly that national government was taking money from the poor and urged a reconsideration of how the funding shortfall could be filled by making savings elsewhere or using reserves. She wanted to see vulnerable groups protected, including single parents, out of work families and families on benefits living in bigger houses.
- 3.2.4 Following on from the reducing inequalities review, there needed to be more joined up working especially between the emerging Integrated Families Team (Stronger Families, stronger communities) and child poverty. Long-term effects of children in poverty would impact on health and mental health into later life. Year on year cuts would ultimately impact on the community with a greater need for mental health, advice and drug rehabilitation services, she said.
- 3.2.5 Some local authorities were not planning to pass on the CT Benefit funding reductions and proposing to find resources from elsewhere because some households were already struggling to buy food and have a reasonable quality of life. ‘Can we say we’ve done everything we can to help vulnerable families?’ she asked.
- 3.2.6 It was pleasing that the voluntary sector was able to be particularly active in the city; community and voluntary organisations played an essential role as trusted and confidential advisors, especially for people who found it difficult to engage eg parents with mental health issues. Brighton Women’s Centre provided a safety net, giving independent anonymous and confidential advice. The drop-In Service offers a warm place with tea and biscuits, so that women could talk to their peers or to volunteers and was acknowledged to be literally a ‘life-saver.’
- 3.2.7 The Panel Chair Councillor Alex Phillips noted different approaches by other local authorities. She pointed out that the agreed budget-setting was outside the scope of this Panel; however finance officers would be asked for further information.
- 3.2.8 Councillor Alex Phillips the Panel Chair thanked Lisa Dando for taking the time to give information and answer questions.
- 3.3.1 **Julie O’Hara, of Brighton Unemployed Centre Families Project** explained the project was set up by unemployed people on low incomes, or in insecure housing, and referred to the summary paper in the agenda. BUCFC meets daily and is used by single people as well as parents, carers and young people and children. It is community –orientated,

aimed at people sharing skills to help each other manage. She said the voluntary sector had replied to the consultation 'wonderfully' with clear thinking and she was pleased that there was an opportunity to help and provide feedback.

- 3.3.2 There seemed to be an increasing culture of vilifying people on benefits, she said; however unemployment can happen to anyone and £56-25 per week maximum job seekers allowance (JSA) for under – 25s was very little to cover all living costs.
- 3.3.3 Julie O'Hara was also concerned about a number of different groups of vulnerable people including younger people, children who have had child maintenance payments reduced and those who can't complete forms.
- 3.3.4 The Council Tax system is unknown to people who use the BUCFP, she told the Panel. People regard themselves as exempt (as with the NHS) so it is a big issue to take on board their responsibility to contribute towards paying for services.
- 3.3.5 There seemed to be general unawareness of the CTS consultation; there was nothing in the local press and so there needed to be an education programme, in her view. People needed to know what Council Tax is, why and how it needed to be budgeted for. For some people it may be an insolvable problem and the collection process would be expensive to implement in some individual cases. The City Council was careful not to criminalise vulnerable people, she said, and that was appreciated.
- 3.3.6 For increasing numbers of people holding joint tenancies the 'Joint and several liability' was an increasing concern, when a young person on JSA in unstable housing is left to pay the whole council tax bill on behalf of other tenants who had left. BUCFP and other third sector organisations were important as places where people can take guidance on how to manage, share experiences in confidence, and use free computer services.
- 3.3.7 Julie O'Hara said the City was fortunate to have a lively third sector. However it was under increasing pressures and there were no ideal solutions though the discretionary fund would be helpful. BUFCP was there to support the Council and support communities to manage and to continue to manage, she said.
- 3.3.8 Answering questions Julie O'Hara said there were groups of people not well represented by voluntary sector organisations. People for whom English was not their first language needed an address to be able to receive JSA. Brighton was an attractive place to live and the city was affected by influxes, particularly of under- 30- year-olds, who wanted to stay and look for work. Waves of immigration can be shown to link to events elsewhere and it was difficult to help people, she said.
- 3.3.9 Members welcomed the anonymous case study examples that BUCFP had provided; and separately, referred to the situation of women affected by domestic violence, who were still liable to pay Council Tax that had the effect of encouraging women to remain at home.
- 3.3.10 With reference to communicating the proposals, the Panel heard that BUFCP Trustees contributed to Heart FM radio and noted the video explaining council tax and changes to CT benefits. It was suggested that more use could be made of local radio.

- 3.3.11 The Panel Chair Councillor Alex Phillips thanked Julie O'Hara for her time in giving information to the Panel and answering questions.
- 3.4.1 **Angie Emerson, of Head of Financial Assessments and Welfare Rights** manages a team that carries out means testing for Adult Social Care services, including home help and residential care services. The means test takes income from benefits into account in determining people's contribution to care costs. The proposed changes would not greatly affect people's financial position as they would be reassessed with a lower income and the charge would reduce accordingly. However, the people who would be affected are people who currently pay nothing towards ASC services because there would still have to pay the extra council tax contribution and would not get any further reduction in care charges.
- 3.4.2 Angie Emerson also manages a small team of 3 part time welfare rights officers who spread their expertise and provide training courses to voluntary organisations, volunteers and council staff. They also manage a small caseload of clients who have been incorrectly denied various state benefits and need someone to help them query or appeal the decision. This includes helping people who have been denied Disability Living Allowance to appeal.
- 3.4.3 The focus of consideration for exemptions from Council Tax payments should be on vulnerable people with the lowest incomes such as: under-25s who are out of work on means tested benefits of £56.25 per week or as low as £35 after deductions; carers who don't work because they are looking after someone; and people with mental health issues. This is suggested as more practical than spreading the support as widely as possible. However it is recognised that exemption from CT payments or support for these or other vulnerable groups, would impact on other vulnerable groups, especially the working poor. The proposals handed down to the council by Government are a 'poisoned chalice' as it is an impossible task to resolve the impact on many people.
- 3.4.4 Angie Emerson pointed out that the situation of a younger single person on benefits was not illustrated in the examples set out in information on the draft scheme. The Panel felt this would be helpful.
- 3.4.5 The Panel discussed the potential effects of the introduction of Universal Credit (though outside the scope of this Panel) which for some disabled people could result in a 'double hit' of a new requirement to pay council tax combined with lower benefits.
- 3.4.6 The Panel asked for more details about residents who currently pay no council tax (who are they and how many, how are they identified), plus the number of people affected by the £3per week cap, how much they would be paying without the cap, the cost to the scheme and how these would change after the transition year. Officers pointed out that for a household living in a Band D property, £2.85 would be the highest weekly amount payable. The £3 per week cap only applied to those in Band E or larger accommodation.
- 3.4.7 The Panel considered whether and how the proposed scheme could help residents out of unemployment and asked to hear more about local employment opportunities and incentives for work. Job Centre Plus would be invited to supply information on this.

- 3.4.8 It is proposed that the earnings disregard will be increased from £5 to £10 per week to mitigate the additional council tax contribution that low wage earners would otherwise have to pay under the new scheme. There is an example in the proposals that shows that a young man earning £100 per week would only have to pay an extra 10 pence per week under the proposals to increase the disregard to £10 per week.
- 3.4.9 The Panel Chair Councillor Alex Phillips noted that the small welfare rights team were 'punching above their weight' and thanked Angie Emerson for her time in giving information to the Panel and answering questions.
- 3.5.1 **Emma Daniel, Policy and Research Manager, Community and Voluntary Sector Forum (CVSF)** said CVSF was commissioned by former Director of Finance and Interim Chief Executive on engagement regarding the proposed scheme, both at pre-consultation stage and in the current wider consultation. She commented it was a positive experience working with Revenues and Benefits team, who had listened and acted on the experience and advice of CVSF in consulting and engaging. Officers had been proactive, answering questions at both strategic and detailed level. It was this that had enabled a rather high level of engagement so far.
- 3.5.2 CVSF had held 2 events, that had included most of the advice services, plus Domestic Violence services and community groups. The pre-consultation had looked at the initial 3 broad options and the Children and Young People's Network had also been involved in this. A second event considered the draft Equalities Impact Assessment.
- 3.5.3 The general feedback from CVSF was that all 3 of the proposed options would adversely affect those on a low income and least able to pay, including younger people (under 25s and under 35s who would be affected by the cumulative impact of other welfare reforms) and poorer families both in work and out of work.
- 3.5.4 The proposals need to be seen in light of the Child Poverty strategy and disability issues. However CVSF did not recommend one or another option and did not feel it appropriate to recommend protection of any one vulnerable group because this would be at the expense of another. CVSF felt that the proposed scheme was the most in the spirit of the expected legislation but still a lose:lose situation.
- 3.5.5 CVSF could comment on the expected overall impact of the changes to CT Benefit. Communicating the changes was an issue particularly where whole families may have low levels of literacy, or where letters did not get opened. Some people with learning disabilities were not receiving services that could support them in managing their finances. Advice providers would know the detailed implications for individuals but informal non-advice 'over the fence' information was also important in many cases. CVSF were working with the Revenues and Benefits team towards a training programme up to March 2013. Digital inclusion was also being progressed.

Emma Daniel later clarified... 'community development workers are very important. We plan to encourage those working directly in neighbourhoods such as community centres/ learning hubs/ play workers to attend an awareness course in order that they are equipped to highlight change and answer basic questions.'

- 3.5.6 Answering questions on feedback in implementing the scheme in the transition year, and on the accessing of the discretionary fund, Emma Daniel said an online open source database was being set up for CVSF members to provide updates so that lessons were learned in the annual review of the adopted scheme. CVSF's networks, meeting every two/three months would be in a position to keep track of the some of the effects of the scheme.
- 3.5.7 In reply to a query on removal of legal aid in cases of debt and welfare benefits from April 2013, officers explained that the council's solicitors can undertake this work.
- 3.5.8 Councillor Alex Phillips the Panel Chair thanked Emma Daniel for taking the time to give information and answer questions.

4. AOB

- 4.1 The Chair thanked everyone and said that the last public meeting was on Monday, 1 October, at 10am, Committee Room 1, Hove Town Hall.

The meeting concluded at 12.30pm

Signed

Chair

Dated this

day of

