

## Appendix C – submission from East Midlands Defend Council Tax Benefits Campaign

East Midlands Defend Council Tax Benefits Campaign is writing to you regarding the proposed abolition of Council Tax Benefit Scheme and its replacement by local Council Tax Schemes and regarding your consultation.

Please note that we have written 'Don't know' to questions 7 and 8 because the questions are slanted as is the options for answers in question 9

This is dealt with more fully in our response

East Midlands Defend Council Tax Benefits Campaign condemns the Con-Dem government's proposals.

### Aim of the campaign

To oppose the proposed abolition of Council Tax Benefit and its replacement by local Council Tax Schemes; to campaign for councils to refuse to pass on the cuts to its local community; to support those who are unable to pay their council tax due to the proposed changes; to call on councils not to pursue those who are unable to pay their Council tax due to the council's changes

Under the misnamed 'Welfare Reform Act', the government is proposing to abolish the national Council Tax Benefit scheme which is centrally funded and make all councils in England bring in their own scheme from April 2013. This is with less funding, aiming to save around £410 million in England, approximately 10% of current costs.

The government wants councils to cut benefits as part of the attack on the welfare state

to make the 99% pay for the bankers' and the system's crisis. The government wants to make benefits so awful that people will work for as little as employers want to pay. Hardly surprising, some in the government want to get rid of the National Minimum Wage.

A recent report in the Guardian newspaper (Tuesday 16th October) based on Freedom of Information requests by "False Economy" reported that councils were resigned to seeing residents refusing to pay their council tax. Leicester City Council's proposals mean that many people will not be able to afford to pay their council tax.

- East Midlands Defend Council Tax Benefits Campaign calls on the council to commit to not pursuing people who cannot afford their council tax.

The BBC has reported that the Tory, Patrick now Lord Jenkin, who designed what became known as the "poll tax" in the 1980s has warned that Council Tax Benefit cuts risk creating a "poll tax Mark 2".

## Appendix C – submission from East Midlands Defend Council Tax Benefits Campaign

Leicester City Council is proposing amongst other measures:

- With some similarity to the disastrous poll tax, that all working age people would have to pay at least 20% of their Council Tax bill. The councils is well aware of the unaffordable increased payments the council would expect from many Council Tax Benefit recipients and it would mean a choice between paying a Council tax Bill or putting towards necessities such as food or ever rising utility bills

Leicester City Council is proposing

- a property band restriction. Council Tax Benefit would be based on a maximum of a band B property. Therefore, if one member of a couple worked and one did not and the working person lost their job – they would pay:

Ø If in a band B property, £226 per year - £4.35 a week

Ø If in a band D property £549 a year – £10.56 per week – a massive 37% of their council tax

This proposal is penalising people for no other reason than they live in a property banded above Band B. Unemployment and short time working is affecting more and more people. Illness can prevent people working whatever their property band. In addition, once the principle is implemented of a property restriction, the local authority may well argue for a Band A restriction (as mentioned as an option in question 9) once funds are reduced even further by the government.

Leicester City Council is proposing:

- to reduce the upper savings limit to £6,000. Savings of £6,000 is not a large amount when compared to the huge salaries of the government, MPs, the private funders of the Conservative Party and the bankers with their bonuses. Leicester City Council's proposal is even harsher than the current limits £16,000 and will cause hardship

Leicester City Council is penalising people and denying Council Tax Benefit to people who e.g. due to bereavement receive some monies or are saving up for their retirement (which is encouraged) or who perhaps receive some redundancy pay (having suffering the loss of their job)

The Guardian newspaper has reported Councils already believe that up to half of people on low incomes will not pay their council tax and there is little the councils can do because it will not be cost effective.

## Appendix C – submission from East Midlands Defend Council Tax Benefits Campaign

### East Midlands Defend Council Tax Benefits Campaign

- opposes all changes to Council Tax Benefit that are a detriment including the proposals that all working age people would have to pay at least 20% of their Council tax; we oppose the reduction in the savings limits; we oppose the changes proposed for the Second Adult rebate
- calls on the local authority to make clear that it will not pursue those on low incomes including those at work because it would not be cost effective

Leicester City Council proposes wants to remove backdating.

This will inevitably affect the vulnerable who may not be able to make a claim without help. Normal local authority practice is to commence a claim from the Monday after the claim is received. It is unreasonable to expect people to be able to guarantee that they can make their claim in advance or on the first Monday. For those who need help and support making their claim and/or whose circumstances are such that it is not realistic to expect them to make their claim on time, they would be penalised by this proposal.

As the local authority has a duty under the regulations to protect the vulnerable, we believe removing backdating is in conflict with this duty.

Situations arise, whereby the claimants may lose their job without much notice. Is Leicester City Council to back date claims in these circumstances? Will Leicester City Council backdate reclaim if the previous person liable for the Council Tax has died or because an exemption had been removed? Does the local authority truly believe that in these circumstances, claims will arrive 'on time'?

Leicester City Council is proposing setting a minimum award level

The wording of this proposal can be confusing. Initially, it might appear that this proposal means that all those who are entitled to receive some Council Tax Benefit would have their entitlement made up to a minimum of £2 - £4 per week. However, this does not appear to be the case. It appears that the local authority is proposing that anyone who would receive less than the £2/ week or £4 /week proposed would lose their entitlement. If this is so, it is to be condemned as it is in effect, saying to people, you should receive some money, but we are not going to pay it, even though you need that money to help pay your bills.

East Midlands Defend Council Tax Benefits Campaign opposes the end of backdating;

### Protecting pensioners

Currently, the government has exempted pensioners (approximately 1/3 of Council Tax Benefit recipients) from this latest attack but we believe that if this government is successful in abolishing the national Council Tax Benefit scheme due to a lack of

## Appendix C – submission from East Midlands Defend Council Tax Benefits Campaign

fight by local authorities, they will look to make further cuts in the funding available and will consider removing the safeguard for pensioners.

East Midlands Defend Council Tax Benefits Campaign questions whether the local authority has effectively considered how it will implement its scheme and prevent any detriment to pensioners.

How has the local authority defined non working age adults?

Will the local authority systems automatically pick up that a Council Tax Scheme recipient is not of working age and that person should not suffer a detriment by the local authority proposals?

Will the local authority systems automatically pick up that a Council Tax Scheme recipient has a birthday during the year and is no longer of working age and that person should not suffer a detriment by the local authority proposals?

What will be the situation in households where there are two adults who are jointly and severally liable if one of the adults is not of working age?

East Midlands Defend Council Tax Benefits Campaign would expect that the local authority takes responsibility for ensuring that those adults who are no longer of working age do not suffer a detriment.

Is the local authority attempting to place the onus on to the claimant to inform the local authority if they are no longer of working age or will the local authority accept that it is their responsibility? The former would not only be the council trying to absolve itself of responsibility but would lead to non working age adults suffering a detriment and raise the question whether the local authority was really attempting to protect those adults not of working age.

How will the ending of backdating not be a detriment to a non working age adult who does not make their claim 'on time' - or will the local authority retain backdating for non working age adults

Under the government's proposals, any increased demand for Council Tax Benefit e.g. due to job losses or reduced income such as from short time working, has to come from the pot of money already allocated by the government.

- Greater need means less is available for each recipient and year on year, if Leicester City Council does not fight, it will be re-assessing claimants income and expected need and looking how to make the savings (e.g. cuts in benefits/increased charges).
- If the Con-Dem proposals are not stopped, if Leicester City Council does not build a campaign to prevent these attacks on its local population, there will be further cuts in the money allocated by the government each year and Leicester City Council will be faced with making even more draconian cuts in entitlements.

## Appendix C – submission from East Midlands Defend Council Tax Benefits Campaign

Leicester City Council (and all other councils) should do everything in their power to refuse to pass on central government cuts on and Leicester City Council should stand firm to pay Leicester residents according to their benefit needs based on the existing system.

East Midlands Defend Council Tax Benefits Campaign would want to campaign with the Labour Council if it was truly willing to lead a serious fight for funding to retain the current scheme and if it refuses to pass the cuts on either by increased charges and/or cuts in benefit entitlement.

Where available, councils should use reserves to cover any shortfall and to buy time to build a mass campaign for properly funded councils and the return of monies lost due to reductions in central government funding.

If the council does not retain the current scheme, East Midlands Defend Council Tax Benefits Campaign will support those unable to pay their council tax.

With regard to questions 7, 8 these are slanted questions and a Yes or No answer cannot answer them properly. The local authority links increasing support for particular households with reducing Council Tax Benefit by even more and/or making further restrictions such as a Band A property restriction.

The local authority should be leading a campaign, fighting for proper funding from the government.

It is clear that some households will need more support than others based on their needs and paid in accordance with the existing Council Tax Benefit system, but this should not be used to separate groups into “deserving” and “non-deserving”.

The present system provides benefit to people with a wide range of needs and different circumstances. None of these groups should be excluded, and neither should there be an “across the board” cut for any or all groups. The present system, based on the needs of the people of Leicester, should be allowed to continue and not be cut by an arbitrary figure by central government.

### Equality Impact Assessment

Leicester City Council has a duty to ensure its proposals have been Equality Impact Assessed and should seek to ensure that no person affected shall suffer a detriment either directly or indirectly as a result of their ‘protected characteristics’.

Has the local authority carried out an Equality Impact Assessment of its proposals and is it readily available?

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