



## Citizens Advice Rushmoor

### *Response to Consultation on Changes to Council Tax Support December 2015*

#### 1. Background and Context

- 1.1 Current and forthcoming changes to welfare benefits, within the overall welfare reform agenda, continue to create serious problems for clients of Citizens Advice Rushmoor. The issues particularly focus around under-occupancy rules, conditionality, claimant commitment and sanctions; alongside general delays and difficulties with administration and making claims. This has led to increasing levels of crisis seen by clients, who are left with no income, resulting in growing reliance upon foodbanks and charitable sources of help.
- 1.2 Increasing cuts to the public sector present further challenges to all public services, particularly affecting support available for vulnerable people, and the overall service provision.
- 1.3 There are well recognised challenges for people in relation to managing money and budgets, which will inevitably be increased following implementation of Universal Credit in February 2016.
- 1.4 The overall vulnerability and difficulties for clients are illustrated for people in different circumstances below.

#### 2 Case Studies the following case studies are from a small trawl of recent cases, illustrating the challenges for people living on low incomes in different circumstances.

##### 2.1 Case Study 1

Client lives alone in a mobile home and is in receipt of Council Tax Support. Her only income is Employment and Support Allowance (Work Related Group) – receiving just over £106 per week for all her food, fuel and day to day living expenses. This has resulted in her accruing a number of debts, which she is struggling to maintain payments on, including on her energy and water bills. She has long term mental health conditions and is very distressed.

A reduction in Council Tax support will have a negative impact on the client's financial situation as well as exacerbating her anxiety and overall mental health deterioration.

##### 2.2 Case Study 2

Couple without children have multiple disabilities, including hearing impairments, multiple sclerosis and learning difficulties. They currently receive Council Tax Support and Discretionary Housing Payment - as they live in a 2 bedroom property and are subject to the under-occupancy charge (bedroom tax). After deducting expenditure from their overall income, including disability benefits, net funds available are just £7.20 per week.

An increase in their Council Tax contribution may result in these very vulnerable clients being unable to meet other basic expenses. This is also likely to have a negative impact on their physical health if they are unable to meet their basic needs.

##### 2.3 Case Study 3

Client in her 50s, lives with her son, who is now 21. Her ex-partner and father of her son died suddenly about a year ago, and her son is now suffering from depression. The client

is claiming Jobseekers Allowance of £73 per week, with deductions for rent and Council Tax arrears. She also has a £7 per week non dependant deduction for her Council Tax support, as her son has failed to comply with his claimant commitment (due to depression) and has been sanctioned. He was trying to get this resolved, but poor communication with Jobcentre Plus was proving a real challenge. The client is therefore trying to support the whole household on reduced benefit. Energy costs are being deducted from her pre-pay meters working out at nearly £40 per week. She is worried about her new Council Tax bill for April 2016 and how this will affect her situation.

Rushmoor has been very supportive in rescheduling the debt and making allowances; but ultimately there is very little room for improvement based on the current income, which is way below the household needs. Fuel, water and rent arrears continue to accrue: the client hopes to find work, and is seeking help for her son's difficulties. We are continuing to work with her on options, and have referred her for food parcel help.

Any reduction in Council Tax support will clearly be unmanageable for this household.

## **2.4 Case Study 4**

Client in her late 50s lives alone in 4 bedroom house following her children leaving home. As a result she incurred the under-occupancy charge (bedroom tax) and no longer qualified for Local Housing Allowance (Housing Benefit). Her social landlord (not First Wessex) will not let her move until the rent arrears have been cleared. She is employed for 15 hours per week, earning £100 per week as her sole income, with liability for £147.85 per week rent and no support from benefits.

After Citizens Advice intervention, rent and council tax arrears are currently on hold, pending application for a Debt Relief Order. Once this has been obtained, the client will be able to move to a smaller property, with the agreement of the landlord, as the rent arrears will be part of the DRO.

As the client is barely able to manage on her current income, the impact of any increases in the Council Tax contribution in this case would result in her not being able apply for a Debt Relief Order, and therefore being unable to move. Ultimately this would result in her becoming homeless, due to her inability to cover the rent and consequent eviction from social housing tenancy.

## **3 Conclusions**

- 3.1 We recognise the severe financial challenges faced by Rushmoor Borough Council and local authorities. In view of the hardship faced by our clients, Citizens Advice Rushmoor is not in a position to make recommendations on the choices outlined in the consultation.

We hope, however, that the above examples will prove useful in guiding decision making processes, by illustrating clearly the impact of reductions in support to people in a variety of circumstances and households.

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