

Simon Hendey
Chief Officer: Housing
Bracknell Forest Council
Time Square
Market Street
BRACKNELL RG12 1JD

Date

Dear Simon

Consultation on Local Council Tax Discount Scheme

Thank you for your letter dated 12 October 2016, regarding the proposed changes to the Council's Local Council Tax Discount Scheme. We appreciate the opportunity to comment on this proposal.

We can see that the new scheme appears to give households more opportunity to increase their income without being penalised as they will not lose their council tax reduction. We are pleased that this will be beneficial to those residents on zero/minimum hours contracts as their income varies on a very frequent basis.

We can see that there is no longer an "applicable amount" as household incomes are the key to the reduction and welcome the fact that the new scheme is easier to understand. Under the current scheme where the income is fluctuating, there is a greater risk of residents not reporting their change of circumstances and are more likely to incur arrears and face a penalty. As you are aware, currently as soon as recovery action starts, a fee of £99 is automatically added to the council tax balance. Under the proposed scheme we can see that this is less likely to happen due to the wider income band width.

We are concerned that the discount rate for applicants in Band 1 with a weekly income of up to £80 will include those dependent on passported benefits, JSA, UC, ESA and a lone parent in receipt of income support. They will receive 75% discount instead of 80%, this means on average these households will have to find an extra £1 every week; whilst this amount doesn't seem substantial, it can make a difference for example, if a family is already struggling with a weekly food budget of £20.

The hardest hit households will be a working couple with three children earning £326 per week; we are concerned that they will have to find an extra £640 on annual basis. We have estimated that 32 families are living in our properties and will be adversely impacted. We would welcome specific transitional financial relief for the families most impacted by the new scheme.

In conclusion, compared to the changes proposed last year, we can see a number of benefits of the new discount scheme to the majority of residents, apart from the families mentioned in the previous section. However, our preference is for the 80% discount rate to be retained for those in Band 1 who only have a weekly income up to £80; this is also due to the ongoing welfare benefit reforms. Welfare benefit reform combined with ongoing reductions to the council tax discounts will put additional financial strain on households already struggling or “just about managing”.

Please find attached three case illustrations, which I hope you find useful.

Could you please send me a copy of the full equality impact assessment once the consultation process is undertaken?

Thank you for inviting our comments and I look forward to hearing from you.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Surinder Bains', written in a cursive style.

Surinder Bains

Head of Housing Operations

Case Studies

Case Study 1

Miss N is a single working Mother aged 35 with a 7 year old child, is earning £120 per week and receiving £100 per month in child maintenance payments. With the £15 disregard, this places her in Band 2, with a 70% Council Tax discount. She has multiple debts with utility companies, all with arrangements in place, but has all these to pay, along with the usual bills, travel to work, school and uniform costs. From time to time she has to request a food voucher to tide her over until pay day, so if her situation worsened she would find it more difficult. Under the new scheme her weekly Council Tax charge would be £7.39, an increase of £2.47 on the £4.92 she is currently struggling to pay.

Case Study 2

Mr M is a single parent with three children, earning £98.19 per week and receiving combined tax credits of £214.97, which have been reduced to clear an overpayment. This puts him in Band 6, with a discount of 30%, increasing his weekly Council Tax payment from £5.01, to £17.20 which is an increase of £12.19 per week. He has a store card and a catalogue debt which he is paying at £10 per week, in addition to a car loan of £237.25 per month which he had to take out in order to provide transport for him to get to work, and to get the children to school. This increase of almost £50 per month will not be manageable for him, and he will be facing further hardship.

Case Study 3

Mr & Mrs G have a 4-year-old daughter, and Mr G works 17 hours per week, earning £140.18. They receive full HB to pay their rent, but have to pay £11.10 per week towards an outstanding overpayment. They are just about managing on their current budget, but have no money left each month for any unforeseen or emergency bills. Currently they pay council tax of £21.19 per month; under the new scheme this will increase to £32.06 per month, which is almost equivalent to them having to pay an extra week's "rent" each month.

