

## **Written submissions for the Council Tax Support Scrutiny Panel**

### **Brighton Women's Centre**

Brighton Women's Centre (BWC) is a woman-only organisation, supporting vulnerable and socially excluded women in Brighton and Hove for over 38 years. We are the lead for the Women's Services Strategic Network (WSSN) a partnership of the women only services in the city.

#### **The services we offer include:**

Open Access Drop-In Service  
Welfare Benefits Advice Service  
Personal Development Courses  
Counselling  
Health Walks  
Volunteer Training programme  
Holistic Therapies  
Inspire, partnership project – working with women offenders  
Ofsted Registered Pre-school

#### **Case loads for the year 2011/12 were as follows:**

Drop-In Services – 1,865 contacts – increase of 30% on 2010/11  
Welfare Benefits Advice Service - 63 women with 130 appointments  
(An increase in overall income for clients over the year of £42, 507.40 confirmed and a possible £6559.80 unconfirmed)  
Personal Development Courses - 125 applications, 67 places provided  
Counselling – 230 women applied, 147 women received counselling  
Inspire – 169 women offenders supported  
Pre-school – 84 children  
Volunteer hours – over 2,000 hours

#### **Observations about the proposed change to Council Tax Support**

**Draft Brighton & Hove Council Tax Low Income Discount Scheme states that:**

**The Council Tax discount for people of working age will be assessed on the basis of 90% of full Council Tax liability.** The earnings disregard for couples (£10) or single parent families (£25) will remain the same as under Council Tax Benefit.

- The disregard for couples with families is not sufficient to support a family on a low wage and those returning to work from periods of unemployment.

**There will be a limit on the extra amount any household has to pay of £3 per week from 2012/13 to 2013/14 as a result of the change to Council Tax Discount assuming there are no other changes in circumstances**

- Families on low incomes, living in households in higher Council Tax band properties will struggle to find even an additional £3 per week

BWC is concerned that the impact on women who are already disproportionately impacted by the Government Cuts – see information in Appendix – will be further impacted since:

- the vast majority of single parent families in the city are headed by women – 94.4 % and single parent households account for 70% of all out of work households.
- women are less likely to be economically active, 61% compared to men and earn £34 per week less than men (Reducing Inequalities Review, Brighton, 2007).
- Brighton and Hove has significantly higher numbers of children living in poverty (Child Poverty Needs Assessment, Brighton and Hove 2010-11) than other areas of the UK. 22% (10,555 children of which 72.8% live in single parent families and 77.5% live in out of work families).
- those living on minimum incomes/subsistence level will suffer and may not be able to cover their cost of living.
- this combined with the changes to other welfare benefits will push women and women with children deeper into poverty.
- further financial exclusion will result in dependence on loan sharks and payday loans.

BWC is concerned that our already over-subscribed services will not be able to meet the demand of more women in need of additional support due to the impact of further 'cuts' to income.

- The Welfare Benefits Service will be further stretched to support women struggling to make ends meet.
- The demand on food parcels through our food donation scheme will increase – we hand out 20 bags of food per week to women in need

BWC notes that the long term impact on the State will result in the need for re-investment in services due to increased demand for social/welfare support as a result of the impact of living in poverty, e.g. mental health services

## **Appendix**

### **BWC response to the disproportionate impact of the Government 'cuts' on women**

We note with concern the:

- Recent changes to the Equality Act removing section 78 which forced larger companies to perform annual gender audits.
- Cuts to Legal Aid with the justice department acknowledging that women would be the hardest hit by the cut in funding for family law and divorce cases.
- The number of women claiming unemployment benefits is the highest for 15 years and cuts to the public sector continue. Women make up almost two thirds of the public sector workforce.
- Research by Coventry University suggests that cuts to other benefits will cost women £30 million, compared with just under £12 million for men.
- **The gender pay gap is set to widen: the divide between men and women's pay is more than 20% in the private sector and less than 12% in the public sector. With redundancies rising in the public sector, women will have to find jobs in the private sector widening the average pay gap of 14% even more.**
- Cuts in funding for Esol courses will affect women since free places will only apply to people on benefits actively seeking work. Three quarters of students are women on 'inactive' benefits.
- **Cuts to maternity grants, child benefits, closures of SureStart centres, after school clubs all affect women disproportionately, especially lone mothers on low incomes. Single parent families are mostly headed by women. For many women, child benefit is the only source of income they receive directly.**
- Cuts to tax credits. SureStart and after school clubs create further barriers to employment for single parents.
- Cuts to Housing Benefits will hit single parents (most of whom are women) the hardest; requiring some families to move away from support networks, affecting children's performance at school and placing them in less economically successful areas with reduced employment opportunities.

- Women are in the majority as carers – informally to family members and professionally – meaning they will be more greatly affected by the cuts in social care departments.
- One in five people give up work to care and the vast majority of these are women. 74% of carer's allowance claimants are women.
- Cuts to social care services will affect women disproportionately as women live longer and are more likely to depend on social care services due to age-related disability or chronic illness or mental illness (women are more likely to suffer from anxiety and depression).

Brighton Women's Centre (September 2012)

## **Welfare Rights Team**

Our concerns re the new system are all expressed in the full knowledge and understanding that the council have been handed an impossible task from central government but we do have some specific comments:

### **1. Exemptions**

Firstly we would really like to see the new system protect the principle that some claimants should have a full rebate. The proposed discretionary help will not, in our experience, reach the people who really need it the most. Our suggestions for the most vulnerable groups who should at least be considered for a full rebate are:

#### **a. The disabled.**

This becomes more urgent because Disability Living Allowance (DLA) is due to be replaced by Personal Independence Payments (PIP) in June 2013 with a 20% cut in the budget so many disabled people will already be facing cuts in vital income and are already affected by housing benefit cuts and the claiming process for Employment and Support Allowance where many are left on low rates of benefit for over a year whilst appealing decisions. Most people with a shortfall in housing benefit who we see are maintaining tenancies with DLA money. There are a number of ways to identify the most vulnerable disabled people and we would be happy to make suggestions, focusing on disabled claimants on out of work means tested benefits.

#### **b. Carers.** Carers are facing a number of cuts under the proposals for universal credit but even before that benefit is introduced they are some of our most vulnerable clients, they are saving the council huge amounts of money and they are finding it increasingly difficult to make ends meet under the current climate if they are relying on out of work means tested benefits.

#### **c. Young people,** the under 25 age group who are out of work and on means tested benefits are facing considerable difficulties in the current climate, their benefit rates are much lower than for 25+ (56.25 rather than 71.00 per week). They are also affected by the shared accommodation rules in housing benefit and many have shortfalls in their rent to make up from their weekly money. It does not seem practical or desirable to make further claims on such a small amount of money for living costs. When we speak to young people they are rarely receiving the full 56.25 per week because they are having deductions at source to repay social fund loans or other debts already. There is no room in such a small allowance to pay for emergencies or one off items and where the young person does not have family support they inevitably get into debt. We are used to seeing people living on weekly payments of around £35 per week after deductions.

## **2. Collectability**

We are extremely concerned that people who have nothing will be facing court action for small amounts of money they cannot afford to pay. Court action inevitably adds to debts and to anxiety.

Over 50% of the stock of claimants on incapacity benefit in the city are claiming because their primary health problem is mental health. We see people who are crippled with stress and anxiety due to the stringent assessment processes currently underway with Employment and support allowance. We have trained people working in mental health who are clear that there have been admissions to Millview because of that assessment process, we are very concerned about the impact of court action on people living with mental health problems in the city.

There will be many people who are unable to pay the council tax bill and we feel that a system of automatic exemptions for some vulnerable groups but also a bias towards those with the least paying the least may be a more practical balance than the principle of spreading the support as widely as possible. We understand that this would effectively remove or severely restrict support for the working poor and fully recognise the undesirable impact on that group and would argue that this is where discretionary help would be best targeted.

## **3. Universal Credit**

There are many issues around the new means tested benefit and how it will interact with our system of council tax support. It is important to recognise that the new scheme will probably have to alter when the new benefit is introduced gradually from October 2013.

Further information is that the point about Universal Credit has been allowed for by the yearly review. So our position really boils down to the one point about exemption, which also covers the collectability issue.

If the scheme exempted means-tested working age benefits (Employment and Support Allowance (ESA) income related, income based Jobseekers Allowance (JSA) and income support) it would include the groups we raised concerns about.

- Out of work carers would usually be on income support;
- The majority of out of work people with a disability would be on ESA income related including those awaiting appeals who are on a reduced period whilst that happens;
- The Under 25 age group would be on JSA or income support.

We do understand from the people working so hard to draw up the scheme in enough time, that if we did exempt those groups, we would drop most of those

in any work even low paid, out of the scheme altogether which is a horrible choice to make. Our position would just be to clarify that choice.

## **YMCA**

### **What YMCA advice services do:**

Sussex Central YMCA is a large charity supporting children, young people and families across Sussex. Our advice services mainly serve Brighton and Hove, via our youth advice centres: one in Hove (YAC) and one in Moulsecomb (Safe & Sorted), and also our specialist housing advice service based in Ovest House, West Street. Our youth advice centres work with young people up to the age of 25 and support young people on a wide range of issues, including welfare benefits.

### **-The current situation – main areas of advice issues re existing system of Council Tax benefits, any trends**

We've not had many issues raised re council tax benefits before at Youth Advice Centre which is where I work so don't feel able to comment on this one – many of our young people (YP) either live at home still, or are in supported accommodation and we don't feel they really see the distinction between housing benefit and council tax benefit.

### **-Observations about the proposed change to Council Tax Support, potential impact on vulnerable young people; other groups of council tax payers**

See email below for more comments. I know staff at the advice centres have a concern that young people will struggle to budget with extra financial responsibilities, and some of our clients are very vulnerable and need a lot of support and targeted work re money management. We have concerns about young parents who may struggle more financially and may need to move to lower banded accommodation – which could impact on other areas of their life – eg social isolation and nursery placements

### **-Suggestions for the future?**

Good to see there will still be some recourse to financial assistance for those most vulnerable – just need to make sure advisers are aware of the criteria and how to support young people to access where appropriate.

Some of the feedback given regarding YP

- lack of banks willing to give YP bank account (most cases they will not have ID)
- concerns around how YP will afford to pay 10% of their bills as already on low income, lead to more debt
- concerns around criminalisation of YP who do not pay
- concerns around how bills are processed & presented to YP, some YP will not have skills to understand, will not bring to staff – local authority need to review administration system ( if changes made at what cost?)
- with universal credits – changes to eligible service charges – some cost may have to be re-directed to YP, again will impact.
- may impact on move on options – if offered a self contained flat and not getting 100% relief will have to pay council tax along with other utilities bills, therefore will not be an affordable option to YP



- strain placed on front line staff resources and advice centres dealing with enquires and offering additional support

