

Date: Wednesday, 6 December 2017

Time: 9.30 am

Venue: Ludlow Room, Shirehall, Abbey Foregate, Shrewsbury, Shropshire, SY2 6ND

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## PERFORMANCE MANAGEMENT SCRUTINY COMMITTEE

### TO FOLLOW REPORT (S)

#### **6 Council Tax Support Scheme (Pages 1 - 2)**

To consider the Council Tax Support Scheme.

Report considered by Cabinet 18<sup>th</sup> October 2017 and by PMSC previously on 8<sup>th</sup> November 2017, attached for information.

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## **Citizens Advice Shropshire Response to Shropshire Council Tax Support Scheme Proposal – additional Information as requested by Performance Management Scrutiny Committee 8<sup>th</sup> November 2017**

### **Additional Information**

Following on from scrutiny CAS was asked to look at some examples with profiling reflecting Shropshire or its surrounding counties. Below is a table showing the local Citizens Advice offices and the LA minimum payment towards Council Tax. It would be worth noting that, generally speaking, the higher the minimum contribution expected, the higher the total of council tax issues as a % of the total issues seen by the local offices. Shropshire does buck the trend a bit and has a higher proportion of council tax issues whilst having 100% support for those on benefits. However, the Shropshire profiling does show that those struggling are people working or self-employed. When the Council Tax Support scheme was introduced in Shropshire the changes from the national scheme would have impacted on this client group more (child benefit now included as income, withdrawal of earnings disregard).

<b>Local Citizens Advice /similar demographics &amp; neighbours</b>	<b>Minimum Contribution</b>	<b>Council tax as a top Debt issue</b>	<b>Council tax issues</b>	<b>Council tax issues as a % of total issues</b>
Teignbridge	0%	No/ personal debt	240	2%
Shropshire	0%	yes	798	4%
North Norfolk	8.50%	No/personal debt	150	2%
West Lindsey	10%	yes	233	3%
South Somerset	15%	yes	551	3%
Sedgemoor	15%	no/water and sewage	236	2%
Mendip	20%	yes	816	4%
Taunten	20%	yes	455	3%
Herefordshire	20%	yes	269	3%
East Riding	25%	yes	684	4%
Telford & Wrekin	25%	yes	763	4%
Cheshire west	25%	yes	1045	5%
Cheshire east	25%	yes	1212	5%

Household Type	Clients	% Clients
Couple	667	21%
Couple With Dependent Children	526	17%
Couple With Non-Dependent Children	107	3%
Other Adults Only	118	4%
Other With Dependent Children	4	0%
Single Person	1,155	37%
Single Person With Dependent Children	466	15%
Single Person With Non-Dependent Children	92	3%
<b>Grand Total</b>	<b>3,135</b>	<b>100%</b>

I have now looked at the additional profiling for household type for 2016/17 and 32% have dependent children so this would confirm why shropshire residents are having trouble paying Council Tax.

Occupation	Clients	% Clients
Employed >= 30hrs p/w	196	18%
Employed < 30hrs p/w	56	5%
Employed < 16hrs p/w	61	5%
Employed between 16hrs p/w and 29hrs p/w	87	8%
Self Employed	64	6%
On Govt Scheme For Employment	1	0%
Unemployed - seeking paid employment	170	15%
Permanently Sick/Disabled	183	16%
Carer - Children	62	6%
Carer - Elderly/Disabled	20	2%
Looking After Home - Dependents	32	3%
Looking After Home - No Dependents	6	1%
Retired	126	11%
Student	4	0%
Volunteer	1	0%
Other	43	4%
<b>Grand Total</b>	<b>1,112</b>	<b>100%</b>

Housing Tenure	Clients	% Clients
Own Outright	139	7%
Buying Home (Mortgage, etc)	213	11%
Shared Ownership	13	1%
Council/ALMO Tenant	128	7%
Housing Association/RSL Tenant	692	37%
Private Tenant	515	27%
Housed Through Job/Business	5	0%
Residential Accommodation (Nursing/Care h..	1	0%
Staying with Relatives/Friends (Paying Rent)	30	2%
Staying with Relatives/Friends (Rent Free)	44	2%
Staying with Relatives/Friends	19	1%
Hostel	2	0%
Homeless (incl. B & B Tenant)	12	1%
Prison	50	3%
Other	22	1%
<b>Grand Total</b>	<b>1,885</b>	<b>100%</b>

## Option 3 & 4

**For Option 3 a resident on Band A (average) would have to contribute £105 a year (£2 a week).**

**If they can't afford to pay – that leads to enforcement action of £380 to recover £105.**

**For Option 4 a resident on Band A (average) would have to contribute £211 a year (£4 a week).**

**If they can't afford to pay – that leads to enforcement action of £380 to recover £211.**

In our evidence we demonstrated the cost of enforcement action on recovering council tax arrears. Asking a resident to pay a minimum contribution of 20% of their council tax bill, irrelevant of their income will cause severe hardship for some.

### Income

### JSA/ESA work group

£ 73.10

### Expenditure

food	30
household	5
transport	10
utilities	10
tv license	5.6
clothes	2.5
phone /digital	5.0
water rates	5
<b>total</b>	<b>£ 73.10</b>

For example, for someone on Job Seekers Allowance (seeking work) and Employment Support Allowance (off work due to sickness but in the work group – not protected) Option 4 would equate to over 5% of their income. JSA/ESA amounts are calculated by government to cover the minimum amount a person can live on and doesn't account for Council Tax payments.

Once again, we would comment that these proposals and cost savings are built on an assumption that everyone will pay rather than an understanding of a person's ability to pay.