



# Nottingham and Nottinghamshire Defend Council Tax Benefits Campaign

<http://defendcounciltaxbenefits.blogspot.co.uk/>

Dear Nottingham City Council

## **Re: Nottingham City Council's Proposed Council Tax Support Scheme**

In the minutes of Nottingham City Council Meeting on 18 December 2012, the City Council has stated their intention to apply for transitional funding from central government to supplement their Council Tax Support Scheme and have therefore changed their proposals for a Council Tax Benefit Support Scheme for 2013/14.

**Whilst the latest proposal is less harsh than the original proposal of having to pay at least 20% of Council Tax), Nottingham and Nottinghamshire Defend Council Tax Benefits Campaign (NNDCTBC) opposes these new proposals. It should be noted that under the transitional funding rules, the council had the opportunity to avoid passing on any cut to everyone currently receiving full benefit. Furthermore, this represents a shift away from the existing (national) scheme where CTB was based on the minimum level which people need to live on. Now CTB will be based on the amount of funding central government decides to pay each year (a cut of approximately 15% in the City Council's funding from 2012/2013 for next year and any increased demand for CTB 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, councils will be re-assessing their income and expected needs and looking how to make the savings. If councils give in this year, it will set a dangerous precedent, since if the government is successful in abolishing the national CTB scheme due to a lack of fight by local authorities, they will be free to make further cuts in the funding available in future. This could signal the end of Council Tax Benefit at an effective level.**

Nottingham City Council is proposing the removal of empty property council tax discounts and exemptions to part fund the 2013/14 scheme. No details of this have been provided. Whilst no-one wants to see properties left uninhabited, there can be many reasons for empty properties – it is not just big private landlords and mortgage companies sitting on their properties – it can be homes that are unfit for habitation; or properties that people cannot sell due to the economic crisis, it can also impact people who are away from home because of caring and other family responsibilities or those in residential care or hospital etc.

**NNDCTBC opposes any blanket removal of empty property council tax discounts and exemptions because this will cause hardship and have a disproportionate impact on certain groups**

Nottingham City Council is applying for transitional funding but is still cutting 8.5% from Council Tax Benefit for everyone, except pensioners who currently receives full benefit. A couple in a Band A property (based on the 2012/13 Council Tax level) and in receipt of Income Support benefit would pay £1.75 per week under the 2013/14 CTSS rather than £4.13 per week under the original proposals and someone in a Band D property would pay £2.64 per week. For households where there is regularly no money left at the end of the week or month this is still unaffordable and will cause hardship and debt.

Nottingham City Council is proposing setting a minimum award level. This means that anyone who would receive less than the 50p per week will lose their entitlement. If this is so, it is a petty, penny pinching approach. Once introduced, the threshold of the minimum award level can easily be increased in future years, as in Nottingham City Council's proposal for 2014/15 of a minimum award level of £2 or £4 per week.

**NNDCTBC 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 8.5% of their Council tax. We oppose the setting of a minimum award level.**

#### **2014/15**

Nottingham City Council intends to pursue its original proposals (apart from backdating) in 2014/15.. The Council is still proposing a 20% cut in CTB, reduction of the upper savings limit (from £16k to £6k) so anyone with savings above that is not entitled to Council Tax Support (CTS,) and CTS only being paid at a maximum of a Band B rate, regardless of the size of your property.

**NNDCTBC opposes all the proposed changes to Council Tax Benefit in 2014/15. We oppose the proposal that all working age households should pay 20% of their Council Tax, we oppose the reduction in the savings limits and the changes proposed for the Second Adult rebate.**

There is overwhelming opposition to cutting Council Tax Benefit in Nottingham. This was shown by the responses to a consultation by the City Council: 66% of respondents opposed the proposal to cut CTB by 20%, and some of the "key messages"<sup>1</sup> drawn from the consultation is that the City Council should to avoid cutting CTB altogether and the City Council should campaign against Government cuts (even though, from the way the consultation questions were framed, this was not presented as an alternative).

The Council say a key feature of their intentions for 2014/15 is long-term sustainability, however, creating a situation where people are unable to meet their council tax bills, causing debt and

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<sup>1</sup> Nottingham City Council have included the following "Key messages" in their report of the consultation:

- The proposed scheme [is] unaffordable to some people and would unfairly penalise some people.
- The Council should refuse to pass on the cuts and should campaign against Government cuts.
- The Council should save money elsewhere or use other money to make up the shortfall in funding, although this may be a short term solution.

<sup>2</sup> <http://www.thisisnottingham.co.uk/Council-leader-warns-council-tax-court-chaos-cuts/story-17627391-detail/story.html>

homelessness etc. is not a sustainable option, it will increase demand for other Council services and will cause long term damage to the social infrastructure.

As Councillor Jon Collins stated<sup>2</sup>:

"This will have the same kind of impact on people that the poll tax did. Very simply because we will be having to collect small amounts of money from people who will struggle to pay it, who will therefore get into arrears" "We will be forced to collect this money, which will add to their debts, and will end up in court, which will lead to further debts." "People will be unable to pay or refuse and court will be clogged up with people facing custodial sentences."

**Nottingham and Nottinghamshire Defend Council Tax Benefits Campaign calls on the Council to commit to not pursuing people who cannot afford their Council Tax. We call on the local authority to make clear that it will carry out its fiduciary responsibilities by not pursuing those on low incomes including those at work because it would not be cost effective.**

**Nottingham City Council (and all other councils) should refuse to pass on central government cuts on and Nottingham City Council should stand firm to pay Nottingham residents according to their benefit needs based on the existing system. The only sustainable option is a fully funded scheme.**

**Nottingham City Council 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. Nottingham City Council should stop using highly paid external consultants which costs millions of pounds.**

**Nottingham and Nottinghamshire Defend Council Tax Benefits Campaign request an urgent meeting with the Council to discuss the new proposals.**

Nottingham and Nottinghamshire Defend Council Tax Benefits Campaign  
19 January 2013

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