



Z2K and CPAG strongly object to Waltham Forest's proposal to further reduce the level of support available under its CTS scheme. Our research on the impact of the localisation of Council Tax Benefit has shown that the minimum payment required by the council's CTS scheme is already pushing Waltham Forest's most deprived residents deeper into poverty. Further cuts to support would only serve to entrench this. Rather than reduce funding for the CTS scheme, we urge the council to reduce the payment burden on Waltham Forest's poorest residents.

Benefits are supposedly calculated on the basis of providing the minimum necessary to live on, yet they fall far short of Minimum Income Standards (the amount required for a minimum acceptable living standard, for more information see <http://www.jrf.org.uk/topic/mis>). For a single person over the age of 25 the £72.40 weekly Job Seekers Allowance is only 39% of their minimum income standard and for a couple with two children their benefits only provide 57% of what is required for an acceptable standard of living. Working households are also struggling. Recent CPAG research found that even families where both parents are working full time at the national minimum wage are 18 per cent shy of the income required to support two children at a minimum level (<http://www.cpag.org.uk/content/cost-child-2014-0>).

In Waltham Forest all working age residents are expected to pay a minimum of 15% of their council tax bill, regardless of their level of income, the 9<sup>th</sup> highest rate in London. For the majority of CTS claimant this minimum payment has to come out of benefits, which are already insufficient to provide for the basics of life, and in many cases have already been reduced by other welfare reforms. This means that just over 11,000 residents have been placed in the impossible situation of trying to cut down their food, utility bills or other house essential costs in order to pay their council tax.

A workless Waltham Forest resident in a Band D property is currently expected to pay £217.68 per annum in council tax. Under the council's proposed scheme (option 1) this will increase to £333.77 in 2015/16 and £464.39 in 2016/17 – over twice the current payment which is already causing extreme hardship. For a resident surviving off Jobseekers Allowance, this is 12% of their annual income, equivalent to six weeks income. If the minimum payment increases to 32% this would make it the highest in London.

Unsurprisingly many of those asked to pay have been unable to do so, resulting in 4,490 Waltham Forest residents receiving council tax support being issued with a court summons for non-payment in 2013/14. Our experience supporting vulnerable debtors tells us that the majority aren't refusing to pay, they simply can't. Unfortunately this impact is not referred to in the consultation materials, preventing residents from making an informed response.

We are concerned that the numbers of Waltham Forest residents being issued with a court summons is likely to rise. Waltham Forest increased their minimum payment from 8.5% to 15% in 2014/15 and we expect this means that many of those who have hitherto been managing to meet the minimum payment will start to fall into arrears as they are simply unable to keep up with the higher payments.

We are also concerned about the impact of these changes on children living in the borough. Waltham Forest has the tenth highest levels of child poverty in London with 27 per cent of children living in poverty. Increasing council tax liability will take money out of households already in poverty and struggling to afford essentials for children.

It should also be noted that, unlike other authorities with a comparable level of minimum payment, Waltham Forest's scheme does not exempt vulnerable groups from the minimum payment.

We believe that the statement that the Government is further cutting CTS funding is potentially misleading. Funding for CTS is included within the general funds, without a ringfence. Although general funds are decreasing, the funding for Local Council Tax Support Schemes has not been directly cut. It is therefore not true to say the council 'needs' to cut CTS spending by nearly £4.45m, the council has a choice to make the cuts elsewhere.

We would also raise concerns about whether it is possible to make this level of savings by squeezing the incomes of the poorest. Our research found that in 2013/14 (when the minimum payment was only 8.5%) the collection rate from Waltham Forest residents that had been asked to pay more as a result of changes to council tax benefit was only 77.5%. [Research](#) has shown that the larger the minimum payment introduced by councils, the bigger the increase in arrears, so we would expect this collection rate to drop further if the minimum payment is increased.

Any assessment of the proposals contained within the consultation should be undertaken on the basis of the fullest possible information. It is important the council takes into account the experience of the first year of the scheme using evidence on arrears rates, cost of collection, other impacts on claimants and comparison with other local schemes. Without providing this information the authority has prevented Waltham Forest residents from making an informed decision in their consultation responses. We can only hope that such evidence is provided to councillors in a thorough impact assessment of the 2013/14 scheme before they make the decision on the proposals.

Although we understand that financial pressure of the 10% funding cut has placed Waltham Forest in a difficult situation, experience elsewhere in London shows it is possible to find a way not to pass this cut on to the borough's poorest residents. CPAG and Z2K therefore, not only oppose both proposals outlined in the consultation, but also call for Waltham Forest to abolish the minimum payment and reinstate 100% council tax support as has been done in the City of London, Hammersmith & Fulham, Kensington & Chelsea, Merton, Tower Hamlets, Wandsworth and Westminster, or at the very least reduce minimum payments to a level comparable to other local boroughs.