

PRESENTATION TO BATH & NORTH EAST SOMERSET COUNCIL WELFARE PDS PANEL BY THE BATH AGAINST CUTS CAMPAIGN, 30 SEPTEMBER 2013

FOCUS : IMPACT OF COUNCIL TAX SUPPORT SCHEME AND BEDROOM TAX

Presentation is on behalf of Bath Against Cuts, a non-aligned group which is critical of central government austerity policies, and particularly cuts in welfare benefits and services.

Focus on the disastrous impact on people's lives of the reduction of council tax benefit and the introduction of the bedroom tax. Most people on low income who were exempt from council tax now have to pay 22% of this tax under the new Council Tax Support scheme introduced by Bath & North East Somerset Council in April this year.

Nearly 6 million people nationally are now paying council tax they cannot afford. These are amongst the poorest and most vulnerable groups in society – disabled people, single parents with young children, people struggling to live on very low wages. Many of the people affected by the changes in council tax have also been hit by the introduction of the bedroom tax which has involved losses of between 14% and 25% of housing benefit for people on low income. Two thirds of the people affected by the bedroom tax are disabled.

Impact of these policies - there is much evidence to show that these measures are making it increasingly difficult for people to afford essentials such as food and fuel bills and are pushing people into long-term debt. The council's own research indicated a jump of 220% in the number of food vouchers issued in Bath&NES in the last year. The National Housing Federation have reported that more than half of families hit by the bedroom tax are now in rent arrears. Bath CAB has found that people in Bath alone have accumulated debts of over £9 million in just 18 months. Many of these will be people who have been caught up in changes in welfare benefits, particularly the payment of council tax and the bedroom tax, both of which were introduced in April 2013. It is not surprising that pay day loan companies such as Wonga have increased their profits by over a third this year, profits gained on the backs of the poorest people in Britain.

The payment of council tax and bedroom tax by those least able to afford it will plunge people into greater poverty and debt, will contribute to high levels of homelessness and will criminalise people because they are poor. Arrears in council tax and rent can result in people facing county court summons, fines – which are added to the arrears people already can't pay – the use of bailiffs, possible eviction and even prison. Raquel Rolnik, the UN investigator on housing, has described the bedroom tax, in particular, as undermining people's human right to housing.

Housing policies represented by the withdrawal of council tax benefit and the introduction of the bedroom tax are profoundly unjust. The poorest members of society – those with least resources – are having to pay for the cost of a financial crisis they did not cause. At the same time, the government has cut the income tax for people earning £150,000 or more from 50p to 45p in the pound. Thirteen thousand of the richest people in Britain will receive a tax cut of £100,000 each this year while there are increasing numbers of people struggling to survive through pay day loans and food banks.

Focusing on the reduction of council tax benefit in particular, we want to highlight the fact that local authorities have some discretion on whether or not to implement this policy. Bristol City Council, for example, found a way to avoid placing this extra charge on people who are amongst the poorest in the community. Bristol Council has also agreed a 'no evictions' policy for people in arrears due to the bedroom tax.

We call on the council to :-

- 1) restore council tax benefit to all those who previously benefited from the scheme. If Bath, for example, can afford the Discovery Card which is most likely to benefit the more affluent members of the population, why can't we afford to maintain council tax benefit?
- 2) work in conjunction with housing associations in Bath&NES to establish a 'no eviction' policy for residents in arrears for either council tax or the bedroom tax and to identify ways of ameliorating the impact of this measure on the people affected by it;
- 3) establish a working group to include representatives of relevant community organisations to examine the social impact and financial costs of these policies. Central government appears to be completely out of touch with the lives of ordinary people, with a cabinet largely made up of millionaires. It is essential that local councils such as Bath&NES provide the evidence and arguments to challenge these government assaults on the poorest and most vulnerable members of our community.