

## **Cabinet – 12 September 2012**

### **Localised Council Tax Support Scheme 2013/14**

**Portfolio:** Councillor Towe – Finance and Personnel

**Service:** Benefits

**Wards:** All

**Key decision:** Yes

**Forward plan:** Yes

#### **1. Summary**

- 1.1 The council currently administers housing benefit and council tax benefit on behalf of the Department of Work and Pensions and receives subsidy for the benefits it pays. The Welfare Reform Act will abolish both benefits; with housing benefit over time becoming part of the new universal credit and council tax benefit being replaced by a locally designed council tax support scheme to operate from April 2013.
- 1.2 The existing council tax benefits scheme is a national means tested benefit paid to help low income households meet their council tax liability. In 2011/12 the council awarded circa £30 million. Over 35,000 Walsall households receive this benefit with an average award of approximately £740 per year. There are 16,499 pensioners and 18,617 working aged customers. Of the working aged customers 10,000 households have children and 5,100 of these have children less than 6 years old. 3,450 working aged customers are disabled.
- 1.3 The funding mechanism will change and be reduced by circa 10% nationally; for Walsall Council it is estimated this will deliver a reduction in income of around £3.3m.

#### **1.4 The proposed scheme**

The Government's objectives of localising council tax support are stated as being:-

- Giving local authorities a greater stake in the economic future of their local area and to create stronger incentives to work
- Give local authorities significant control over how the 10%+ reduction in expenditure on council tax is achieved.

Draft regulations have been circulated to enable authorities and IT companies to develop systems/schemes but secondary legislation is not expected to be passed until October/November 2012.

1.5 From the draft regulations we are already aware of the following:

- All Pensioners must be protected from any reduction in entitlement and a prescribed scheme will be set by government.
- In designing local schemes, Local Authorities are reminded of their responsibilities in relation to vulnerable groups and individuals and the Department for Communities and Local Government (DCLG) consultation response makes specific reference to the following Acts:
  1. the Child Poverty Act 2010, which imposes a duty on local authorities and their partners, to reduce and mitigate the effects of child poverty in their local areas;
  2. the Disabled Persons (Services, Consultation and Representation) Act 1986, and Chronically Sick and Disabled Persons Act 1970, which include a range of duties relating to the welfare needs of disabled people;
  3. The Housing Act 1996, which gives local authorities a duty to prevent homelessness with special regard to vulnerable groups.
- No scheme should create a disincentive to work.
- The change to the funding mechanism will result in a fixed grant from Government with expenditure which may fluctuate higher or lower than the grant income due to local demand needs.

## **2. Recommendations**

- 2.1 That following consideration of the options for a localised council tax support scheme and given the reasons set out in paragraphs 3.2, 3.3, 3.4, 3.5 and 3.11, option 3 be approved for public consultation as the preferred local scheme for 2013/14.
- 2.2 That further work be undertaken to design, evaluate and consult on a more tailored local scheme for 2014 onwards.
- 2.3 That a further report be received in the autumn to confirm a proposed scheme for adoption by the council for 2013/14.

### **3. Options for a localised council tax support scheme**

- 3.1 Claims from pensioners' amount to over 46% of Walsall Council's current caseload and expenditure. Pensioner claims will be protected and subject to a national scheme, mirroring the current scheme, resulting in their benefit being protected.
- 3.2 As pensioners are protected by law from the estimated 10%+ reduction in funding, potentially, working aged customers may have to bear a 20% cut in benefit. However, if other vulnerable groups are protected then the cut will be greater; potentially up to 55% if all disabled and families with children are protected.
- 3.3 The timescale for the scheme design, decision making, consultation, IT systems design, staff training, and supporting customers through the change is extremely challenging. Due to the extremely tight timescales authorities are limited in the scheme design what can reasonably be delivered by the software providers.
- 3.4 The authority will also be required to review the scheme annually, redesign and consult on any changes; but changes to the localised scheme will not be allowed "in year".
- 3.5 The changes to council tax benefit is occurring at the same time as other major changes to welfare reform which will impact on the same customers – working aged. These changes are the "household benefit cap", the Social Sector size criteria, and localised welfare payments.
- 3.6 Tough decisions will have to be made to manage the reduction in funding (at least £3.3million but could be higher taking into account reductions in administration grant, reduced collectability and potential increase in demand), the impact on collection rates and the ability to cater for future increases in demand for financial support.
- 3.7 Equality impact assessments will have to give regard to any adverse equality implications.
- 3.8 Local contingency arrangements will have to be made to cover increases in caseloads and reduced collection rates. The authority may also wish to consider a hardship fund to support households that may experience financial hardship. The authority may potentially be collecting relatively small amounts from people who currently do not pay anything and are on a very low income or income support levels. The cost of collection from these customers will increase and the provision for bad debt may need to be increased.
- 3.9 Any decision to maintain benefit entitlements and/or any reduction in collection rates following the implementation of a scheme would have an effect on the rest of the Council's budget and to the budgets of precepting authorities (Police and Fire), who are required to be consulted on the draft proposal.

### 3.10 Options for a proposed localised council tax support scheme.

**Option 1** – Apply a cap on the maximum liability eligible for localised council tax support. This option is the simplest to implement and will fully deliver the 10%+ reduction in grant but it impacts on all the working aged customers, a significant number of whom (14,614) do not currently pay council tax.

Some effects of this option include:

- Increased cost of collection and bad debt costs
- Greater demand for customer support and additional staffing requirements
- Potential for unintended consequences of increased deprivation to cause a significant increase in costs which will have an impact on the council's already scarce resources.

**Option 2** – Again, applying a cap on the maximum liability for localised council tax support with protection for a number of vulnerable groups. This option offers protection from the reduction in benefit for a number of groups. Which groups these are would be subject to councils to decide. The council can chose to fund the protection costs by savings and efficiencies elsewhere, or pass the reduction in collectable income to the remainder of the working aged customers.

Some effects of this option include:

- Passing the loss of income from the protected groups will create a disproportionate adverse impact on those customers that may not be protected.
- Many customers do not currently pay council tax.
- Such changes will result in increased cost of collection and bad debt costs.
- Potential for complex changes to software, testing, training and implementation.

**Option 3** – Fully fund the reduction in grant from other council efficiencies, savings or other income streams, and adopt the current council tax benefit scheme rules. This option is the most feasible solution to implement given the time constraints.

Some effects of this option include:

- Removes the requirement to allow for increased collection costs, adverse impact on cash flow and bad debt provision.
- Current council tax benefit customers would not see a reduction in their entitlement.
- This option reduces the requirement for major software changes and the associated testing, training and implementation.

The selection of option 3 would enable the council to develop a more considered scheme for 2014/15 onwards.

Further details of these options are shown on the next page.

## Proposed Scheme Options for consideration

- (1) **Pass on the £3.3m (£3.6m including preceptors) reduction** by reducing the maximum council tax support available **from 100% to circa 78%** for the working aged customers. The additional cost to the customer who receives full benefit under the current scheme, in a band “A” property, will be approximately **£4.31** per week. Should the council increase council tax by **1%, 2% or 3%** then the weekly additional figure customers will be expected to pay will increase to **£4.35, £4.40, and £4.44** respectively.
- (2) **Partially pass on the £3.3m (£3.6m including preceptors) impact** by reducing the council tax support available to the working aged customers but protecting certain groups; financing the balance from other council efficiencies, savings or income streams. The table below shows the impact of protecting certain groups of claimants (col. A). For example, protecting 3,450 disabled customers will mean £820,000 is not collected from this group (col. C). Passing this onto the rest of the working aged customers will mean an increase of £5.33 per week per claimant based on what they currently pay. An increase in council tax of 1%, 2%, or 3% will mean the increase will be £5.38, £5.44 or £5.49 respectively.

A	B	C	D	E	F	G
Working aged group	Estimated number of households in group	Estimated cost of protection to the council	Estimated impact to other customers if cost of protecting a group is passed on to the rest of the working aged	Estimated impact of pass on if 1% increase in council tax	Estimated impact of pass on if 2% increase in council tax	Estimated impact of pass on if 3% increase in council tax
Disabled	3,450	£820,000	£5.33	£5.38	£5.44	£5.49
Families with children	10,000	£2,410,000	£9.52	£9.62	£9.71	£9.81
Families with children under 6 years.	5,100	£1,210,000	£5.99	£6.05	£6.11	£6.17
Single parents	5,900	£1,410,000	£6.39	£6.45	£6.52	£6.58
Customers with earned income	4,000	£980,000	£5.56	£5.62	£5.67	£5.73

- (3) **Fully fund the £3.3m (£3.6m including preceptors) from other council efficiencies, savings or income streams.**

### 3.11 The unintended consequences of passing on the reduction in funding as detailed in option 1 and 2.

#### **Child Poverty**

The cost consequence to the council of not protecting vulnerable families with children is considerable. Children's Services have modelled the relationship between deprivation and number of Looked After Children (LAC) for the West Midlands region and for Walsall. The model can predict LAC numbers using deprivation data (Job Seeker Allowance (JSA) claimants) with a high degree of accuracy. A similar Child Poverty (Income Deprivation Affecting Children Index) model shows that reduction in income which increases the number of children living in poverty (nearly 1:3 in 2009) will result in more LAC – around 16 more LAC per 1000 increase in Child Poverty. The Council Tax Benefit reduction will affect 10,000 families with children, but is only **one** of a number of Coalition Government policy changes as part of the Welfare Reform Programme that. It is the combined effect of all the changes that will result in increased Child Poverty.

The Institute of Fiscal Studies have projected the increase in child poverty at a national level - increasing by 400,000 from 2011 to 2014 and by 800,000 by 2020. For Walsall the proportionate increase are 3,200 and 6,400 – to 26,400 - nearly half of all children. Our modelling shows that if they convert to LAC, there will be an additional 38 and 90 (from April 2012 budget number) costing an extra £1.6 million by 2014 and £3.74 million by 2020. While preventative work in Children's Services can mitigate this, the scale of the challenge and unlikely improvement in conditions means that the costs will be even greater without prevention.

#### **Homelessness**

Various experts have provided a body of evidence showing that preventing homelessness is much more cost effective when compared to the cost incurred when fulfilling statutory duties once someone has become homeless. Research proves that preventing homelessness can achieve direct cashable savings and can deliver significant benefits to the households who are enabled to remain in their home. The prevention of homelessness also will deliver additional savings associated with the pull on other service areas, which sit outside housing. Further socio-economic and health related benefits can be achieved by avoiding substantial social disruption and re settlement costs.

The department for communities and local government has identified that the cost providing temporary accommodation and re-housing is in the region of £5,300 per case. However Crisis and New Policy Institute have suggested that costs can be significantly higher when services such as health and police are included.

## **Increased cost of recovery if working age clients are asked to fund the shortfall**

The council will be asking residents to pay circ £200 a year, where previously they had nothing to pay, this combined with their limited income means that the likelihood of securing full payment is significantly reduced without mitigating that situation with additional recovery options. Of the £3.6M to be collected (including the £300k we are required to collect on behalf of the preceptors) it is estimated that only 50% will be secured in any one year using existing resources and recovery profiles. Should the council be able to invest more time in the non-payers, the recovery could increase to 70%. The type of recovery work that would be required is time consuming and has associated additional costs for the Council including costs for mailing, staffing, phones, payments fees, courts. The estimated costs are circa £200,000 annually. However there is a strong belief that at best a 70% collection rate in any one year can be achieved, then the possibility of securing 10 % of that debt over future years will leave 20% uncollectible, estimated to be £720,000. This will then be required to be written off. To summarise the estimated cost to the Council of collecting the £3.6M is estimated to be £920,000 (which is admin costs of £200,000, plus bad debt write off totalling £720,000).

### **Impact on customers**

Comments received from 20+ customers when asked how they would cope with the reduction in benefit.

Out of the 10 customers with children interviewed only 2 felt they would be able to afford any increase. Details of all 10 cases are shown at **appendix 1(A)**. Only 1 out of 3 working customers would be able to pay and details of the 3 cases are given at **appendix 1(B)** and 7 out of 8 customers who receive Job Seekers Allowance or income support would not be able to afford the increase; details are attached in **appendix 1(C)**.

## **4. Council priorities**

- 4.1 The changes and decisions required may have a severe negative impact on the council's priorities as the reduction in grant income will take money out of the local economy. Dependant on the preferred option selected there may also be a potential for an adverse impact on the health and well being of our residents.

## **5. Risk management**

- 5.1 The legislative changes and the decisions required to support these changes pose a potential significant financial and reputation risk.

## **6. Financial implications**

- 6.1 Government's intention is for the funding of localised council tax schemes to be provided through the business rates retention scheme rather than a separate

grant, for all authorities except local policing bodies. To secure the reduction in subsidised expenditure an upfront grant being 90% of the forecast subsidised council tax benefit expenditure for 2013-14 will be allocated.

- 6.2 Funding will not be ring- fenced, and billing authorities will have choices about how they design their schemes, taking into account factors including: the cost of providing services; available funding - including funding for council tax support schemes - whether raised locally through business rates, or provided by Government; and decisions about council tax.
- 6.3 All data at present is indicative, however initial financial modelling has identified that Walsall Council's own reduction (excluding precepting authorities) is in the region of 10.98% based on the 2010/11 data. Extrapolating this to 2013/14, using the predicted rise in case load and benefit claimants, the pressure for the council (excluding impact on precepting authorities) could be in the region of £3.3m.
- 6.4 As the new funding mechanism is fixed if there is an increase in demand for localised council tax support any additional cost will have to be met by the council. As pensioner take up increases, due to the protection of this group, additional pressure will be placed on council finances. A contingency or earmarked reserve may need to be considered once more data is available.
- 6.5 There is currently no budget allocated to fund the estimate £3.3m reduction in grant and alternative strategies will therefore need to be identified to fund this if the £3.3m is not passed to the benefit clients.

## **7. Legal implications**

- 7.1 The Welfare Reform Act 2012 and the Local Government Finance Bill 2012 contain provisions for the abolition of council tax benefit and the creation of new localised council tax support schemes.
- 7.2 Regulations relating to the localised council tax benefit scheme are not expected until late Autumn 2012. In order to allow for consultation and an equality impact assessment a decision on a draft scheme cannot be deferred until legislation is passed.
- 7.3 The Council is required to adopt a local council tax support scheme by 31<sup>st</sup> January 2013. Failure to adopt a localised scheme will result in the Government imposing the "default scheme".

## **8. Property implications**

There are no property implications.



## 9. Staffing implications

- 9.1 There are no direct implications from this report, although staffing implications may arise as the preferred localised council tax scheme is designed and implemented.

## 10. Equality implications

- 10.1 Whichever option is selected as the councils preferred draft local scheme an equality impact assessment will be required.

## 11. Consultation

- 11.1 The extent and the length of public consultation will depend on the preferred option selected.

- 11.2 The statement of intent issued by the department for Communities and Local Government specifies the consultation must take place in the following order:-

- a. Consult any major precepting authority
- b. Publish a draft scheme in such a manner as it thinks fit, and
- c. Consult other such persons as it considers are likely to have an interest in the operation of the scheme.

- 11.3 Given the limitations on time an 8 week consultation period will follow the selection of a preferred draft scheme.

- 11.4 A draft consultation plan has been prepared.

## Background papers

Welfare Reform Act 2012  
Local Government Finance Bill

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## Appendix 1 (A) – Customers with children

**customer stated; "if they have to pay they will, but they will just about manage".** Couple (47 and 55) - daughter (11) and one non dependant son (21). Current income is Job seekers allowance, Child Tax Credit and Child Benefit. Customer are currently paying some of their council tax as there is a non dep charge for the son –**CTB only claim, Band A property**

**Customer explained that she struggles at the moment with paying all other expenses (bills, household expenses, food shopping), customer states she will struggle and would find it very hard and not sure how she will cope.** Single parent (20) with one child (1), current income is **Income Support and Child Tax Credit. Child Benefit, Applicable Amount; £147.23, Band A, Local housing allowance rate £103.85, Rent £109.62 per week, Shortfall £5.77 per week.**

**"What choice do we have?"**

**"We are already struggling with our ctax arrears we will definitely struggle"**

Miss R (phone) – 38 years with one child (4 years) with disability – is in receipt of Income Support – Housing association therefore no shortfall in rent –Maximum HB and CTB - she cannot go *out to work due to disabled child – It will be difficult but send me a letter and I will discuss with my key worker.*

**there are some previous ctax arrears that they have received summons for non payment of council tax** Mr S (FSS) – Couple – 56 and 44 with two dependants (3 Years twin) - is in receipt of employment Support Allowance – no shortfall in rent as Housing association property – maximum HB and CTB - .

**Z and D - "council tax would be at the bottom of the list"****Background**

Couple with 3 boys and Z pregnant with 4th child. Living in a 2 bed 3<sup>rd</sup> floor WHG flat. Currently over occupied at this property, due to move to a 3 bed BCHA house. Income was employment support allowance as Z suffering from depression. In the process of moving to job seekers allowance in D's name as Z has failed her medical examination. D previously worked however had to give up his job due to Z's health and looking after their children. D is the sole carer for his mother as she has suffered 2 strokes; he visits her two/ three times a day. He also drives her to hospital appointments/doctor's appointments.

**Financial circumstances**

Income will be made up of job seekers allowance, child benefit and child tax credit. Their expenditure consists of the general utility charges, food, petrol, insurances and TV licence. Z and D have 3 debts being looked at by a debt advisor. Z and D both had a social fund which is being deducted from their benefit directly. Z and D budget their money on a weekly basis as all their benefits are paid weekly. By the time Friday comes, they regularly have no food left and have to borrow money from D's mother to buy extra food. Z and D no longer have any baby equipment so need to buy this again for the new baby due in January 2013. D takes responsibility for budgeting for the family.

**Proposed effect of council tax changes**

When Z was asked about paying extra council tax, she initially said she could pay it. After we calculated income and outgoings, and spoke to D, it became apparent that they would struggle to pay any extra money out of their income. Z had no concept of the consequences of not paying council tax and didn't realise that court costs could be added on for non payment. D said that he could not afford the upkeep and petrol for the car however this is the only way of him being able to help and support his mother through her illness.

**Income = job seekers allowance couple rate = £111.45, Child tax credit 164.46, Child benefit £47.10 - Band A property -Rent £85.64**

**Mr S – “The poor are getting poorer and the rich are getting richer – there is no in-between”**

**Background**

Couple in their 30's with 2 dependent children. Owns property which is mortgaged. S has attempted to set up 3 businesses in the past but all have failed since the recession. S is currently unemployed but actively seeking work which he is finding difficult.

**Financial circumstances** Income is job seekers allowance of £162 every two weeks and child benefit/child tax credit. Bills are all paid by direct debit on a monthly basis. S states that he lost around £40,000 over time when his businesses have failed. S states that the family are already stretched to the limit due to outgoing costs being unemployed. S desperately wants a job and sends his CV to companies constantly but never gets any response.

**Proposed effect of council tax changes** S would not be able to afford any extra council tax but if he was forced to pay it, he would have to. S said that his children would have to suffer as he would not be able to afford to feed them. Income Job seekers allowance £162 per 2 weekly, Child benefit £47.10, Child tax credit £180 week Band B property

**Mr P - "If I had £5 left and it meant paying you or feeding my child, then my child would come first every time"**

**Background** Mr P has a partner and 1 child. They live in a WHG property and currently receive full Housing benefit + council tax benefit.

**Financial circumstances** Income is Employment Support Allowance (ESA), Child Benefit and Child Tax Credit. Their income only just about covers their weekly/monthly outgoings. There is never any money left after all essentials are bought. They currently have social fund deductions and council tax arrears deducted from their ESA so the payment is reduced. They budget fortnightly as the ESA is paid this way. They would struggle to convert their budgeting if faced with monthly bills/benefits.

**Proposed effect of Council Tax changes** Mr P has already faced court summons and bailiffs for unpaid council tax in the past and is aware of the effects of not paying are but he states that paying council tax still comes below his other bills and would rather provide food and heating for his child than pay us. He does not know where he would find the extra money to pay the council tax. Income ESA IR couple rate £111.45, Child benefit £20.30 p/w, Child tax credit £62.19p/w, Band A property.

Rent £94.15

**"If I have to pay this Council Tax the few pounds I keep for fresh bread and milk in the middle of the week I will not be able to buy"**

Family circumstances- LHA 2 bed rate Total income £240.94(taking into account £18.70 Social Fund Loan)-Have to pay£11.53 shortfall in rent out of income -Band A-Passported

Couple with 2 children who are aged 1 and 2 months old. They live in a privately rented property paying £500 per month in rent. They are in receipt of Job Seekers Allowance, Child Tax Credit and Child Benefit. They currently have an £11.53 per week shortfall in their rent and are paying back a social fund loan of £18.70 per week. This couple already feel that they are in a desperate situation with their household finances which resulted in them applying for a Discretionary Housing Payment (this was refused) prior to any additional Council Tax burden of possibly £4.11 per week.

**"I couldn't afford to pay any extra but if I did it would mean me not paying another bill"**

Family circumstances CAHA tenant-Band A-Passported

Couple with 3 children who are aged 17, 12 and 4.They live in social housing. They are in receipt of Job Seekers Allowance, Child Tax Credit and Child Benefit.

**"I would be able to afford any extra"**

Family circumstances LHA 2 bed room rate-Band A-Passported

Lone parent aged 19 with 1 child. They live in a privately rented property. They receive Income Support, Child Tax Credit and Child Benefit. Customer insists she will be able to pay the extra £4.11 Council Tax if asked for.

## Appendix 1 (B) – Customers who work

### **“Always paid council tax as we are in fulltime employment”**

Mrs S (FSS) – Couple – age 37 and 40 with 3 Dependants (8,12,14 years) - Working – in receipt of working tax credit (wtc) and child tax credit (ctc) – is in receipt of HB and CTB - CTC 154.34 wtc -71.97 child benefit 47.10 earnings 121.00 = 394.41 applicable 323.82 rent 86.56

### **Miss J – “I’d be better off sat at home on benefits rather than working”**

**Background** J is a single parent with 1 child working 18 hours week. J lives in a privately rented house and has to pay some towards her rent and council tax.

**Financial circumstances** Income is child benefit, tax credits and wages. J pays for child care at private nursery. J is left with £100 month after bills are paid but this excludes clothes and one off expenses. All wages pay her bills monthly then she uses her weekly tax credits to pay her petrol and food bills. J is already struggling to keep up to date with her outgoings but enjoys work and does not want to give it up.

#### **Proposed effect of council tax changes**

J waits until she receives her final demand for council tax before she pays now.

Facing the extra bill for council tax would leave J in financial hardship and she would have to consider giving up work. Earnings £95.79, working tax credit £67.07, CTC £120.34p/w, CHB £20.30 p/w. - Expense Child Care Costs £28.84 weekly.

Applicable amount = £153.39. Band A property LHA 2 room rate = 103.85, actual rent £109.62 p/w

### **Mr W and Mrs C – “I have to rob Peter to pay Paul now”**

**Background** Couple in their 50’s with a 16 year old son living in their own home. W worked for 20 years but had to give up his job as C had breast cancer. C now recovered so she’s back at work 25 – 35 hours per week but W still unemployed.

**Financial circumstances** Budget on a weekly basis as tax credits paid weekly but utility bills are monthly direct debit. C has different tins which she puts money into to help pay other bills. W refuses to sign on as he felt undermined by staff after working for 20 years. Once mortgage and bills paid there is no money left for any luxuries.

**Proposed effect of council tax changes** W said that they already struggle with the income they have and the outgoings they have. He said that they already have to rob Peter to pay Paul and that any extra council tax, would put them into more hardship. They would pay it because they understand the consequences of not doing so but other bills would not be paid. Income £892.23 month, Child tax credit £62.08 week, working tax credit £71.60 week, Child benefit £20.30 week. App amount £193.84 - Band A property

## Appendix 1(C)

### Customers on Job seekers allowance/ income support

**Customer states could not afford to pay council tax based on current income of income support; maybe if he was working they could manage.** Couple (55 + 53), current income is income support. Recently went off sick from work and has arrangements to pay arrears of council tax. **Income; Income Support, Applicable amount; £105.95, Band A, Local Housing Allowance rate £85.38, Rent £115.38 per week, Shortfall; £30 per week**

**"We are struggling now, and trying to make ends meet "**. Couple (50+) - currently lives off savings as awaiting decision on JSA from the DWP. Couple stated that they would struggle to pay Council Tax. **Income; currently nil as awaiting DWP decision on Job Seekers Allowance Income Based, Applicable amount; £111.45, Band A, Housing Association property, Rent per week £81.75**

**"If I have to pay then I have no choice but to pay, so will have to budget my money, but I want to work so I am looking at the moment".**

Single person (50) - with non dependant (30). **Income; JSAIB, Applicable Amount; £71.00, Band A, HA property, Rent per week £82.20 (full rent not being paid as non dependant deduction in place of £11.90)**

**"Prefer to be in employment and pay her bills"**

Miss M (phone) – 36 years – single – she was in full time employment recently lost her job – is in receipt of Job Seekers Allowance (contributory Based) – is in receipt of maximum housing benefit and council tax benefit.

She will be able to pay if she finds a job quickly – she would rather be in full time employment as it is too much hassle when you are in receipt of benefit. She already has a shortfall in rent; I will definitely struggle to pay council tax while in receipt of Job Seekers Allowance. I already had Bailiffs at previous address and I will be in mess. **Income Job Seekers Allowance-contribution based 71.00 Applicable amount 71.00 rents 65.00 Housing Benefit and Council Tax Benefit maximum**

**Already a shortfall in rent of £23.08 per week.** Couple (18 and 20), current income couple rate JSAIB. Couple currently has a shortfall in rent of £23.08 per week which they are paying. Explained to customer about Council Tax, she began to say that they will manage, however when I mentioned that they also have a £23.08 per week shortfall in rent. customer asked whether she could come and see me to discuss the situation. **Income; couple rate of Job seekers allowance income based (£111.45) Band A property, Local housing allowance rate £86.54; Rent £109.62 per week, Shortfall £23.08 per week.**

**Mr. L. "I would have to borrow from family or sell some of my possessions."** Mr. L is 56. He lives in a property which is owned by his partner who is currently out of the country. He currently receives full Council tax benefit. Mr. L's only income is Job Seeker's Allowance (Income Based) of £71.00 per week. He is "maxed out" on his overdraft having had to give up work a few years ago due to cancer. He struggles to make ends meet. His partner is also in a lot of debt due to supporting Mr. L. during his illness.

Mr. L. has no money to spare on his present circumstances. He said he would have to borrow money from relatives or sell items from the house such as domestic appliances.

**"Only can afford to pay if the LA carries on paying DHP, already hit with under 35 rule"** Ms F (FSS) – Single – 30 years – is in receipt of Incapacity benefit (mental health issue) therefore not getting maximum HB and CTB – shortfall in rent £38.08 since under than 35 rule introduced. She has been in this property since 2009 and it is only 1 bed flat. – If the LA refuse to pay DHP then I will be homeless - **Need help with Housing and welfare (picked this customer up for working smarter team) incapacity benefit – 110.85 rent 98.08 Local Housing Allowance 60.00 shortfall 38.08**

**"We are already being hit by the room restriction coming in. We would have to sell our car to pay any extra" "I would pay as if you don't they send you to prison"** Family circumstances WATMOS tenant (room rent restriction of £11.54 from April)-Band A-  
Passported

Couple who have partner's young daughter stop weekends. They live in a WATMOS property and will be hit with the room restriction from April 2013. This will mean them paying £11.54 per week towards their rent whilst at present they don't have to contribute. They are in receipt of Job Seekers Allowance. Customer said that there is no way they can afford any extra and would have to sell their car. This would cause even more distress as partner has trouble walking.