

3<sup>rd</sup> October 2014

Amanda de Warr  
Head of Customer Services and Financial Support  
Bromsgrove District Council  
The Council House  
Burcot Lane  
Bromsgrove  
B60 1AA

Dear Amanda

### **Local Council Tax Support (LCTS) Scheme Consultation**

As the tenant body responsible for scrutinising delivery of services to bdht tenants (or 1 in every 10 residents of the Bromsgrove district) we at the Tenant Panel wish to respond to the proposed changes to the local council tax support scheme as these are likely to impact on a significant number of our neighbours and fellow tenants.

We recognise that many local authorities are under financial pressure and change is being driven by Government Policy. However, we believe it is essential that any changes to policy do not simply pass financial pressures on to those constituents least able to cope financially. Many of our fellow tenants potentially affected by changes to this scheme have already had to deal with the results of the withdrawal of the "spare room subsidy" or "bedroom tax".

#### Cap on Support Paid

Whilst we understand that the proposed changes may enhance work incentives, the Council must equally understand that in practice options for many of our tenants to increase their income is limited, certainly in the short-term. Yes, the economy is improving but wage levels are not, with much work low paid and on zero hour contracts. It will be essential that the Council adopt a generous, fair and transparent discretionary hardship payment scheme to ensure tenants are not left worse off whilst they attempt to sustainably increase their earnings. We note that the President of the Valuation Tribunal has recently confirmed that the Tribunal has unlimited power to overturn decisions by councils which refuse to award discretionary hardship payments. The Council will no doubt want to avoid the administrative expense of managing large numbers of appeals.

#### Cap Support at a lower banded property

We understand that in theory the proposed changes may "reduce the likelihood of low-income claimants occupying higher value properties than they otherwise would", we believe that in practice options for many of our tenants already living in such property will be limited.

Bromsgrove District Housing Trust is a managing agent for bhi and WM in Bromsgrove District

#### **Bromsgrove District Housing Trust**

Buntsford Court, Buntsford Gate, Bromsgrove, Worcestershire, B60 3DJ

freephone 0800 0850 160 telephone 01527 557557 fax 01527 557600 email [info@bdht.co.uk](mailto:info@bdht.co.uk) web [www.bdht.co.uk](http://www.bdht.co.uk)

Registered in England No. 460 3611. Registered Office: Bromsgrove District Housing Trust, Buntsford Court, Buntsford Gate, Bromsgrove, Worcestershire B60 3DJ.  
Housing Corporation Registration No. LH 4415



Most bdht homes are within Council Tax Bands A – D. Restricting support to the next lowest Band will have a significant impact on all tenants occupying properties in Band B or higher. Tenants will either have to suffer financial hardship, increase their income (see comments above), or move to the lowest Banded accommodation. For most, due to family size and commitments moving to a Band A property will not be an option. For those that do wish to downsize options are still limited. This has been proved with the “spare room subsidy” where there have been insufficient smaller units of accommodation to meet demand and will be replicated again.

Bdht has a significant number of properties in Bromsgrove’s more rural localities such as Alvechurch, Beoley, Belbroughton, Clent, Fairfield, Frankley Green, Hagley, Hopwood, Romsley, Rowney Green, Stoke Prior, Stoneybridge, Tutnal, and Wythall. In these areas we have 405 households who are under the age where they can claim pension credit and, therefore, potentially subject to these changes. Not only do Council Tax payments tend to be higher in these areas but the range of bdht property is much more limited than elsewhere with, in many of these areas, predominantly Band C & D houses. These tenants, who may have lived in these areas for many years with family or work ties, will find it more difficult to find cheaper alternative accommodation in the same locality and maintain local ties. We believe the proposed changes, without adequate safeguards, will disproportionately impact on this group. Research previously carried out on behalf of bdht has shown that low income bdht tenants living in high value areas already face financial stress with higher rates of rent arrears than average and this policy change will only add further burdens. Without proper discretionary arrangements the proposed changes could also act against the intentions of the Council’s housing and planning policies which aim to help local residents stay in their local area.

#### Back Dated Claims

We believe that it is only fair that claims should be back dated for the period constituents are eligible for assistance. We believe it unfair to penalise households on low income from assistance due to lack of awareness of entitlement. If, nevertheless, you do remove the potential for general backdating of claims, we feel that it is insufficient to propose that “vulnerable persons could be protected through the use of discretionary powers”, vulnerable tenants must be protected. Again, however, it is important that the term “vulnerable” is well defined so as not to necessitate undue numbers of appeals.

#### Council Tax Discount on Empty Properties.

Whilst we understand that bdht will not be affected by proposed changes, being a registered charity, we do see the potential for some private landlords to be tempted to re-let homes in a poorer condition to avoid additional costs incurred should repairs take longer than 28 days to complete.

Yours sincerely

  
f **Edwina Evans**

Chair bdht Tenants Panel.