



Cameron's Council Tax Con for Poor Families

- **Charity Family Action Hits Out at "Paltry" Help for Families**
- **Council Tax Freeze Worth A Loaf of Bread for Some Low Income Families**

Charity Family Action is today launching findings which show that the Government's pledge to freeze council tax next year will not help families struggling with the cost of living crisis. The findings, based on analysis of how much families will save as a result of the freeze, lay bare claims that the measure will help family finances.

Family Action analysed the savings families could expect to see for a cross section of local authorities across England including Manchester, Nottingham, Norwich, Luton, Birmingham, Liverpool and each London Borough.

Low income families are set to save considerably less than higher income groups as a result of the freeze which benefits higher band council tax payers in better off areas. For example, council tax payers in Manchester are set to gain very little from the freeze. The council tax charge for Manchester City Council for households in Band A for 2011/12 is £884.66. So the potential saving of a Council Tax freeze in 2012/13 is £22.12 for the year. That's the equivalent to a weekly saving of 43 pence for low income families – just enough for a loaf of Asda Smart Price or Tesco Value bread. Comparisons with Nottingham and Liverpool show that families there will also not benefit greatly from the change with families living in Band A properties saving just 50p and 49p per week respectively.

Richer households are set to save more. In the Chancellor George Osborne's Tatton constituency low income families in Band A properties are set to save just £23.79 compared to £71.36 for a Band H property.

Commenting on the figures Family Action Chief Executive Helen Dent said:

"Low income families will feel angry at this Coalition Council Tax con. Our findings show that the savings for low income families will be paltry – with poor families in Manchester, Liverpool and some areas of London saving less than 50p per week, just enough for a loaf of bread. That's a drop in the ocean compared with the hammering their family finances are taking as food and fuel bills rocket and childcare, housing support, tax credits and welfare payments are slashed."

"Those on higher council tax bands will be better off, with some families in high council tax properties in the Chancellor's Tatton constituency saving £1.37 a week – or enough for a loaf of bread and a pint of milk a week. Even this sum is a measly amount given the squeeze on family finances across the board."

"What's worse is that this Council Tax con will hurt vulnerable and disadvantaged families in other ways too. They won't find comfort from this freeze as the services they rely on are cut to the bone by cash-strapped Councils. Whilst the poorest do not pay council tax and receive support through Council Tax Benefit they face an uncertain future as the Government cuts the budget for council tax support by 10%."

"The Government can crow about supporting families through this cost of living crisis all they like but families will not be conned. This help is too far on the horizon and too little too late."

Ends

For more information contact Anthony McCaul, Senior Media and Campaigns Officer for Family Action on 0781 309 2040 or Anthony.mccaul@family-action.org.uk

Notes to Editors

About Family Action

Family Action has been a leading provider and services to disadvantaged and socially isolated families since 1869. We work with over 45,000 children and families a year by providing practical, emotional and financial support through over 100 services based in communities across England. A further 150,000 people benefit from our educational grants and information service.

The calculations on the potential savings in 2012/13 are based on 2.5% increase in Council Tax charge of 2011/12. This is the figure used by George Osborne during his announcement of the Council Tax freeze. Press Notice: Council Tax Freeze – 03 October 2011

"If an authority sets its basic amount of council tax (i.e. its Band D council tax) in 2012-13 at a level which is no more than its basic amount of council tax in 2011-12, it will receive a one-off grant equivalent to a 2.5 per cent increase." Source: http://www.hm-treasury.gov.uk/press_110_11.htm

The figures assume that if Council Tax was not frozen the average increase would be that mentioned by the Chancellor in his speech.

Tesco Value and Asda Smart Price bread costs 46p per loaf.

Please contact Anthony McCaul at Family Action for a breakdown of the council tax figures mentioned in this piece.