

Press Release

**From Councillor Barry Stamp
Leader of the Liberal Democrat Group
Stafford Borough Council**

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Use: Immediate

4000 Stafford Families Face Tax Credit Chaos

A leading Stafford Liberal Democrat has today called for a total overhaul of the way tax credits are awarded after new official figures revealed that 4000 families in Stafford Borough are still being forced to payback over £3.1 million worth of tax credits, due to overpayments made by HM Revenue and Customs.

Barry Stamp, Liberal Democrat Group Leader on Stafford Borough Council said, "It is simply unacceptable, that hundreds of families in the Stafford Borough area are facing the prospect of having to repay the Government because their tax credits have again been over paid. What is clear is that the situation is getting worse not better. Last May, the Paymaster General claimed that the system was working well for the vast majority of families. But today's figures show that the Minister is clearly in denial - in actual fact nationwide 44%, over 2.8 million people, received incorrect tax credit payments. In Stafford alone, the official figures published today by HM Revenue and Customs, show that 4000 families have been overpaid and in total the Government will be claiming back over £3 million from them. This could well mean many families are going to be plunged further into poverty and debt, through having to pay back this money. The Government has known for years that the tax credit system is failing and today's figures are yet more evidence that too little has been done to rectify it. Recent modifications are too little too late."

Stafford families on low income who claim tax credits want a system they can rely and not one that leaves them in debt for many hundreds of pounds. Something must be done to improve the system now before even more local families find themselves facing these kinds of debts in the future," added Barry Stamp.

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Notes to Editors: The figures in this release are taken from "Child and Working Tax Credits Statistics - Finalised Awards 2004 – 2005" which is published today (31st May 2006) by National Statistics on behalf of HM Revenue & Customs.

