

Response by email to: kbeldon@epsom-ewell.gov.uk

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Kathryn Beldon
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18 September 2015

Dear Kathryn,

Local council tax support scheme 2016/17 - consultation

Thank you for your letter dated 3 August 2015, consulting us on your localised council tax support scheme proposals for 2016/17.

We are aware of the continued pressure on funding for local council tax support due to the abolition of council tax benefit and the ongoing reduction of central government funding each year. To help reduce the funding gap these changes create, we understand districts and boroughs may need to adapt the original council tax support scheme they initially adopted for the scheme to remain effective.

Summary

We recognise that you have adopted some of the Surrey Framework but we would urge you to reduce the negative impact on vulnerable residents by protecting the minimum benefit award. Maintaining the minimum benefit award helps protect vulnerable groups that may already be dealing with multiple complex issues and who are susceptible to other issues such as homelessness and debt.

To maintain the effectiveness and financial viability of your scheme, while protecting vulnerable residents by minimising reductions in the minimum benefit award, we suggest the following priority order for adopting the other five elements of the Surrey Framework.

1. Remove discounts and exemptions for second homes and empty properties.
2. Remove the second adult rebate.
3. Reduce the capital threshold.
4. Cease back-dated awards.
5. Limit support to the level of a Band D property.

Impact

We note from your letter your 2015/16 scheme included a 20% minimum council tax payment and the Community Equality Impact Assessment form provided acknowledges that increasing the minimum payment to 25% or 30% could impact upon a number of vulnerable groups. The residents that will be affected by this increase will include the same residents affected when you brought in the 20% minimum payment in 2015/16. This increase in the minimum payment could therefore further disadvantage those already struggling.

Although council tax collection rates may remain high, there is evidence to indicate other areas are suffering due to decreasing council tax support. The Surrey wide Impact Report

2015 discussed at the Welfare Reform Group meeting on 14 September 2015 shows a

130% increase in temporary accommodation from 2010-2015 and a 19% increase in rent arrears for council owned properties. Data gathered from the Citizen Advice Bureau reveals that since 2012 there has been a 32% increase in those seeking advice on rent arrears and other debt enquires. This suggests that residents are struggling in other arrears in order to compensate for the decrease in council tax support. We believe this in turn will increase strain on local public services such as Surrey's family support programme and districts' and boroughs' housing and homelessness support services.

Conclusion

We note from your letter there are a number of criteria from the Surrey Framework that you have not adopted, including the removal of discounts and exemptions for second homes and empty properties, limiting the support to the level of a Band D property and restricting the minimum benefit award. We would suggest you adopt these changes in the priority order stated above before making any further changes to your scheme and in particular we would urge you to protect and not extend the minimum council tax payment.

We see you also have scope to remove or reduce the period of back-dating for awards, rather than allowing the three month period that you have in place. We would be interested to know your evidence and reasoning for selecting a three month period.

Your letter recognises you are unable to analyse the impact the introduction of a minimum payment has had on those affected and we would therefore see it as a risk to increase this further without knowing the extent of its impact. The evidence indicates to us that residents faced with a decrease in council tax support compensate financially in other areas, such as by increasing rent arrears or other debt. Both of these are indicators of families and individuals who are struggling

and increasing their reliance on other local public services. We hope you will reconsider your proposals in the light of evidence and learning from other Surrey authority schemes and how (and to what extent) those affected further by the increase in minimum council tax payment will access relevant support.

I hope we have addressed all material aspects of your
consultation. Yours sincerely,

(signature redacted)

Sheila Little
Director of Finance