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Dear Sheila

Localising Support for Council Tax – Consultation with Major Precepting Authorities

Thank you for your letter of 18 September responding to our consultation proposals.

I thought it might be useful to clarify our reasons for discarding some of the Surrey Framework elements as suggested in your letter.

1. Remove discounts and exemptions for second homes and empty properties.

This was not part of the Surrey Framework for Council Tax Support but these Council Tax technical reforms were used in the first year of the scheme to assist with the funding gap. At Epsom & Ewell Borough Council we removed all discounts and exemptions leaving only a discount of one month for empty properties. This was left in place to encourage taxpayers to inform when their properties became empty and this information has been used for new homes bonus, when levying the empty home premium and by our empty homes group who search for suitable properties for housing homeless families. There is little scope therefore to change this.

2. Remove second adult rebate

This element of the Surrey Framework was introduced at Epsom & Ewell Borough Council in April 2013 and our scheme does not allow working age recipients to claim second adult rebate.

- 3 Reduce the capital threshold

We also introduced this element of the Surrey Framework in April 2013 with our members deciding to reduce the threshold to £10k. There is scope to reduce this to £6k as the original Framework suggested and some other Surrey sites have followed this route. However, the latest analysis shows only 9 people would be affected by this further reduction and the amount to be gained by Epsom & Ewell Borough Council is £829 so this is not considered a meaningful change.

4 Cease backdated awards

In April 2013 we reduced the period for backdated awards to 3 months. For working age claimants the amount spent by Epsom & Ewell Borough Council was £1099. Whilst this could provide a small amount of savings for the Council this has been retained since we have found its use is mainly from the very vulnerable claimants and without this they would undoubtedly have to make a claim from the Discretionary Hardship Fund

5. Limit support to the level of a Band D property

We originally adopted this restriction in April 2013 and continued the restriction for 2014/15. Whilst this could result in higher savings restoring the band restriction would affect 221 households; the majority of these are families with children. It is likely that due to the level of payments this group would be need to make the collection rate would be low and more resources would be required to collect the tax due. When we came to look at this element with regard to the change to a minimum contribution for 2015/16 we found the following:-

- a) The band restriction was the main reason for the need to make an award from the Discretionary Hardship Fund in 2013/14 and 2014/15
- b) The effect the 20% minimum payment coupled with the band restriction meant the minimum payment those in Band E would need to make ranged from 34.5% to 52%.
- c) Those households who also received Housing Benefit were mainly families with children paying higher rents and some were subject to the benefit cap further hindering recovery of the tax.
- d) Due to the lack of smaller properties in the area it was difficult to find Band D or less properties to move to, hence the increased call on the Discretionary Fund from this group
- e) With the problems of finding Band D and below properties we had a number of homeless families who had been rehoused by the Council in Housing Association properties but these were generally at Band E.
- f) The Council used more resources on collecting Council Tax from this group and this was also the case for the enforcement agents who needed to make more frequent visits to these households and our colleagues in CAB also saw a rise in the need for advice from this group and assistance to claim Discretionary Hardship Fund payments.

All this led us to conclude that retaining the Band D restriction would put a disproportionate burden on these households, have a more detrimental effect on vulnerable children and did not produce the savings when compared to the recovery resources and discretionary payments made.

Since our public consultation this year has been based on potentially increasing the minimum percentage contribution we would be unable to make the changes you suggest for 2016/17. I am sure we will be revisiting the Local Support Scheme annually so our Members could decide in future to consider reintroducing elements of the Surrey Framework.

On a final point my letter of 3 August asked whether the County Council would be willing to contribute towards the Hardship Fund for vulnerable households. This is borne solely by Epsom & Ewell Borough Council but benefits all preceptors and our members would like a response by 17 November when they meet to decide the 2016/17 scheme.

Yours sincerely

(Signature redacted)

Kathryn Beldon