

Minutes of the Meeting of the STRATEGY AND RESOURCES COMMITTEE held on 8 December 2015

PRESENT -

Councillor Neil Dallen (Chairman); Councillor Clive Woodbridge (Vice-Chairman);
Councillors Tony Axelrod, Richard Baker, Rekha Bansil, Kate Chinn, Eber Kington and
Mike Teasdale

Absent: Councillor Omer Kokou-Tchri and Councillor Keith Partridge

Officers present: Frances Rutter (Chief Executive), Kathryn Beldon (Director of Finance
and Resources), Simon Young (Head of Legal and Democratic Services) and Fiona
Cotter (Democratic Services Manager)

51 DECLARATIONS OF INTEREST

No declarations of interest were made by councillors regarding the item on the
Agenda.

52 LOCAL COUNCIL TAX SUPPORT SCHEME 2016/17

The Committee received and considered a report setting out three options in
relation to a Local Council Tax Support Scheme for the 2016/17 financial year.
The Council was required to approve the 2016/17 Local Council Tax Support
Scheme by 31 January 2016 and implement it from 1 April 2016. Where
significant changes were to be made the Council was required to undertake a
consultation with the public and precepting authorities.

At its June 2015 meeting this Committee had received a report on the financial
impacts of continuing the current scheme for 2015/16 and agreed to consult on
potentially increasing the percentage minimum contribution made by work age
recipients of Council Tax Support (currently 20%).

The three options consulted upon were:

Option A: to continue with the current scheme for a further year with the
underlying means tested applicable amounts being uplifted by the same
percentage as the Housing Benefit rates applicable from April 2016.

Option B: to increase the percentage minimum payment on the current scheme
to 25% for the 2016/17 financial year with the underlying means tested
applicable amounts being uplifted by the same percentage as the Housing
Benefit rates applicable from April 2016.

Option C: to increase the percentage minimum payment on the current scheme to 30% for the 2016/17 financial year with the underlying means tested applicable amounts being uplifted by the same percentage as the Housing Benefit rates applicable from April 2016.

The report indicated that the majority of respondents to the consultation (69%) were in favour of an increase in the minimum payment, with an increase to 25% being the most popular. Table 3 in the report (which had been amended following deferral of this report in November) demonstrated that increasing the minimum percentage would only reduce the expected 2016/17 shortfall if the Council could achieve a higher than expected rate of collection. The recovery team could take a more forceful approach on recovery with Support recipients but with other 2016/17 welfare changes affecting so many of these recipients it was difficult to assess the effectiveness of a more stringent recovery process on collection rates.

Officers had concerns that adopting Option C in particular could have the effect of reducing the amount collected from Council Tax Support claimants. The Community Equality Impact Assessment highlighted that certain groups could be more severely affected by the scheme although due to their status all Support recipients would be negatively affected by a minimum payment scheme and any increase in the minimum payment. Building in protections for certain vulnerable groups was an option but this would worsen the effect of the minimum payment scheme for others, if savings were to be made, and further effect recovery. A more targeted approach to protections using the existing Discretionary Hardship Fund appeared to be a more efficient way to help those most in need. For the 2015/16 scheme an additional £10k had been set aside to provide for any increase in take up from the Hardship Fund. This could be reviewed at the end of the financial year to assess whether the budget for the Fund could be reduced for 2016/17.

It was noted that Surrey County Council had stated that “without a full analysis of the 20% minimum contribution introduced in April 2015 Surrey County Council (saw) it as a risk to increase this further without knowing the extent of its impact”. It was confirmed that a full analysis could not be completed until June 2015 after the end of the financial year.

The point was again made that it needed to be recognised that the funding gap created by the withdrawal of Government grants effectively meant that council tax payers generally would be required to bridge the gap or services would have to be cut and representations needed to be made on this. Council Tax increases were limited to around 2% unless Members wished to go to a public referendum; reserves were currently only £600k above the minimum level and Council Tax Support was an ongoing cost.

It was highlighted that Surrey County Council had withdrawn its financial support of the Discretionary Hardship Fund despite benefiting from it. Whilst the full impact of the “bedroom tax” on the 103 families affected had yet to be assessed, it was confirmed that the amount held in the Discretionary Hardship Fund had

been reduced because there had not been a significant call on this to date. However, this would be kept under review.

Accordingly, having noted the findings of Community Equality Impact Assessment, on a show of hands, it was agreed to recommend that the Council:

- (1) should continue with the current scheme for a further year with the underlying means tested applicable amounts being uplifted by the same percentage as the Housing Benefit rates applicable from April 2016 (Option A);
- (2) should continue the Discretionary Hardship Fund for exceptional cases, reducing the provision to £25,000 per year

The meeting began at 7.30 pm and ended at 7.46 pm

COUNCILLOR NEIL DALLEN (CHAIRMAN)

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