

## Appendix 2

Response by email to: [daniel.rolfe@guildford.gov.uk](mailto:daniel.rolfe@guildford.gov.uk)

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Dear Daniel,

### **Local council tax support scheme 2018/19 - consultation**

Thank you for your letter dated 4 October 2017, consulting us on your localised council tax support scheme proposals for 2018/19. We apologise for the late response to this consultation, but we did not receive the letter until after the consultation had closed. We would like to suggest you copy the Director of Finance into future Local council support scheme consultations to optimise the response time.

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

### **Summary**

We recognise you have adopted some of the Surrey Framework, made changes through the years and plan to make further changes this year as described in your consultation document.

We do recognise the positive outcome of mirroring changes within the Housing Benefit Regulations. The reduced backdating period of Local Council Tax Support from three months to one month is in line with our priorities. You could potentially take even further steps to cease back-dated awards.

Increases to non dependent deductions might have a potentially significant impact on residents due to the continuously increasing housing shortage and we would suggest monitoring this impact closely after implementing the changes.

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We would like to suggest, that should you consider any changes in the future, we have prioritised the criteria from our perspective as listed below:

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
6. restrict the minimum benefit award to £5 per week

We are aware these changes could have a negative impact on vulnerable residents, including low income families already dealing with a number of complex problems. In order to protect these residents we would recommend introducing changes in relation to the higher priority criteria such as the removal of discounts and exemptions for second homes and empty properties. This will give protection against the effects of introducing the lower priority actions that would have a larger impact on residents.

### Impact

We also acknowledge your commitment to continue to improve the lives of your residents whilst protecting and supporting those that are most vulnerable from the impact of your scheme with the provision of the discretionary financial hardship fund. We would like to emphasise the importance of continuing to monitor the impact of the scheme, especially in relation to identified vulnerable groups, in order to identify any adverse impacts early and to help inform the future development of the scheme.

Although council tax collection rates may remain high, there is still evidence to indicate other areas are suffering due to decreasing council tax support. We would like to highlight a pressure that we will all face in July 2018 with the introduction of the full Universal Credit service. Research from Citizens Advice has found that people who receive Universal Credit are more likely to have problems with priority debts like rent and Council Tax if they receive Universal Credit compared with legacy benefits. Further research has found that 26% of Citizens Advice clients that were given debt advice were Universal Credit claimants.

Nationally, Universal Credit has been linked to increases in homelessness and foodbank usage. Should similar trends be experienced in Surrey, this in turn may increase strain on local public services such as Surrey's family services and districts' and boroughs' housing and homelessness support services.

### Conclusion

We recognise that you have adopted some criteria set out in the Surrey Framework, and are proposing to continue to include these in your scheme for 2018/19. There is potential for you to adjust some of these further to help decrease the funding gap in the future. For example you currently propose to limit backdated claims to one month as opposed to ceasing backdated awards.

We would also like to emphasise that it would have been helpful to have had sight of your updated Equality Impact Assessment and any additional data that could have helped us to assess the impact of the current scheme to help inform our response. It would also be

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beneficial if you would share with us any financial modelling you have undertaken, or that you undertake in future of your proposed and final schemes.

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

Yours sincerely,

Sheila Little  
Director of Finance