

**MINUTES OF AN EXTRAORDINARY  
MEETING OF SURREY HEATH  
BOROUGH COUNCIL held at Surrey  
Heath House, Camberley on 22 January  
2013**

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+ Cllr Bruce Mansell (Mayor)  
+ Cllr Beverley Harding (Deputy Mayor)

+ Cllr David Allen	+ Cllr Paul Ilnicki
+ Cllr Rodney Bates	+ Cllr Lexie Kemp
+ Cllr Richard Brooks	+ Cllr David Mansfield
+ Cllr Keith Bush	+ Cllr John May
- Cllr Glyn Carpenter	- Cllr Margaret Moher
- Cllr Bill Chapman	+ Cllr Charlotte Morley
- Cllr Mrs Vivienne Chapman	+ Cllr Adrian Page
+ Cllr Ian Cullen	+ Cllr Bob Paton
- Cllr Paul Deach	Cllr Ken Pedder
+ Cllr Tim Dodds	+ Cllr Chris Pitt
+ Cllr Colin Dougan	+ Cllr Joanne Potter
+ Cllr Craig Fennell	+ Cllr Wynne Price
- Cllr Surinder Gandhum	- Cllr Audrey Roxburgh
+ Cllr Liane Gibson	+ Cllr Ian Sams
- Cllr Moira Gibson	+ Cllr Pat Tedder
+ Cllr Alastair Graham	+ Cllr Judi Trow
- Cllr David Hamilton	- Cllr Valerie White
- Cllr Edward Hawkins	+ Cllr Alan Whittart
- Cllr Josephine Hawkins	+ Cllr John Winterton

+ Present  
- Apologies for absence presented

**Part I**  
**(public)**

**066/C Apologies for Absence**

Apologies for absence were submitted on behalf of Councillors Glyn Carpenter, Bill Chapman, Mrs Vivienne Chapman, Paul Deach, Surinder Gandhum, Moira Gibson, David Hamilton, Edward Hawkins, Josephine Hawkins, Margaret Moher, Audrey Roxburgh, and Valerie White.

**067/C Suspension of Council Procedure Rules**

It was moved by the Mayor and seconded by the Deputy Mayor and

**RESOLVED that, in order to allow for freer debate, the Council Procedure Rules 14.5 (length of speech), 14.6 (councillors speaking more than once), and 21.2 (the requirement to stand) be suspended for the remainder of the meeting.**

## 068/C New Local Council Tax Support Scheme

The Local Government Finance Act 2012 required the Council to design, within a framework set out in legislation, a local scheme to administer council tax support to replace the current council tax benefits system. The new scheme had to be approved by January 2013 and implemented from April 2013. The Government required any new scheme to protect vulnerable pensioners and to provide incentives for people to find and stay in work.

Currently the DWP 'paid' claimants' Council Tax by reimbursing the billing authority and the affected properties formed part of the tax base. However any new scheme would operate as a relief and would, as result, reduce the tax base. As a result each of the preceptors would receive less money for a given level of council tax and so the "cost" of the relief was shared amongst all the preceptors in relation to their precept. The government would compensate for this "loss" of Council tax income by paying an additional grant to fund the scheme, albeit at a reduced rate from that paid currently, to all the major preceptors in relation to their precept.

The estimated funding gap for this Council was anticipated to be £653,000. This figure had been used to scope the savings needed to be covered by savings in the Local Council Tax Support Scheme or elsewhere in Council/Police budgets and/or raised through changing/amending existing Council Tax exemptions. The actual funding gap would not be known until the end of 2013/14.

The DCLG would make a transitional grant for 2013/14 to authorities who choose to design their schemes so that those who were on 100% support under the current benefit scheme paid no more than 8.5% of their current liability. Although final details of the DCLG funding offer would not become available until after 31 January 2013 it was estimated that this would provide one off extra funding of about £11,100 to the Council with equivalent amounts being paid to preceptors in proportion to their precepts.

Surrey County Council had also provisionally offered funding to help finance the council tax support funding gap for 2013/14 if authorities adopted the Surrey Framework Scheme and made changes to the Council Tax discounts and exemptions to provide additional income and thereby reduce the overall funding gap.

The Council considered the four schemes which it could adopt:

### Scheme A – Default scheme

- No change to relief eligibility from the current Council Tax benefit scheme

This option would provide the same level of support to all claimants as in the current National Council Tax Benefits Scheme.

### Scheme B – Surrey Framework Scheme

- No second adult rebate
- Reduce Capital Limit to £6,000
- Restrict minimum award to £5 per week
- Restrict eligible Council Tax to Valuation Band D
- Reduce backdating to 3 months from the current 6 months

This option was based on the current Council Tax Benefit Scheme but with some of the eligibility criteria tightened so that some, but not all, claimants would receive less support.

#### Scheme C – DCLG Transitional Scheme

- Restrict maximum relief to 91.5% of Council Tax

This option would require all working age claimants to contribute at least 8.5% to their council tax bills.

#### Scheme D – Self Funding Scheme

- No second adult rebate
- Reduce Capital Limit to £6,000
- Restrict minimum award to £5 per week
- Restrict eligible Council Tax to Band D
- Reduce backdating to 3 months from the current 6 months
- Restrict maximum relief to 70% of Council Tax

This option would require all working age claimants to contribute at least 30% to their council tax bills.

It was moved by Councillor Richard Brooks and seconded by Councillor Colin Dougan that the Council adopt the recommendations set out in the agenda report, with the option of Scheme D – Self Funding Scheme.

Members debated the motion.

In relation to the proposal to restrict the maximum relief to 70% of Council Tax liability, Members were advised that due to the demographic structure of the borough and, given that residents of pensionable age were excluded from the calculation, to meet the resultant shortfall it would be necessary to restrict the maximum relief to 70% of Council Tax liability.

Concerns were raised about estimated collection rates of the monies due from residents currently receiving Council Tax benefits. It was recognised that an 83% collection rate was needed in order for Scheme D to be considered the most financially viable option.

It was moved by Councillor Rodney Bates and seconded by Councillor Alan Whittart that Scheme D be adopted with deletion of the last bullet point, which read “Restrict maximum relief to 70% of Council Tax”.

Members debated the amended motion. It was noted that the amendment to the motion would in practice change the scheme adopted by the Council to Scheme B – Surrey Framework Scheme. It was considered that adopting the Surrey Framework Scheme would be a more certain option for the Council that year and would enable a transition for those currently in receipt of Council Tax benefits.

The Council considered the funding available from Surrey County Council should it choose to adopt Scheme B. Members noted that the funding would only be available for 1 year. The Council was informed that the County Council would not cover the entire shortfall and it was reported that there was uncertainty regarding the level of funding the Council would receive from the County Council, with the amount the Council would receive dependent upon the number of authorities adopting that Scheme. At that stage it was understood that Surrey district authorities intended to adopt a variety of the possible Schemes.

The amendment was put to the vote and lost.

The original motion was put to the vote and carried.

**RESOLVED that**

- (i). the principle that everyone must make a contribution to the cost of local services be noted;**
- (ii). delegated authority be given to the Executive Head of Finance in conjunction with the Portfolio Holder for Finance to make minor amendments as may be necessary for final adoption;**
- (iii). up to £26,000 be transferred to Parishes to compensate them for the effects of the Local Council Tax Support Scheme such that their Tax base for 2013/14 is no lower than their tax base for 2012/13;**
- (iv). a Hardship Fund of £10,000 be created under Section 13A of the Local Government Act 1992 for exceptional cases;**
- (v). war widows pensions and military compensation payments be disregarded as income for entitlement to Local Council Tax Support;**
- (vi). the budget for 2012/13 be amended to include £84,000 New Burdens funding for the implementation of the Council Tax support scheme;**
- (vii). those claimants of working age who, under the existing scheme qualify for disability premiums, be exempt from the changes introduced by the new scheme;**
- (viii). the Local Council Tax Support Scheme for Surrey Heath from 1 April 2013 subject to the application of regulations issued for schemes under the Local Government Finance Act 2012 be;**

**Scheme D – Self Funding Scheme:**

- No second adult rebate**
- Reduce Capital Limit to £6,000**
- Restrict minimum award to £5 per week**
- Restrict eligible Council Tax to a Valuation Band D**
- Reduce backdating to 3 months from the current 6 months**
- Restrict maximum relief to 70% of Council Tax liability**

- (ix). the scheme may need to be revised later in the year for 2014/15 to take account of changing circumstances and issues arising in 2013/14 be noted.**

**MAYOR**