



ADUR & WORTHING
COUNCILS

Joint Strategic Committee
12 September 2017
Agenda Item 7

Key Decision: No

Ward(s) Affected: all

Council Tax Support - the impact of the 2017/18 schemes plus public consultation questions to be used in respect of the 2018/19 schemes

Report by the Director for Customer Service

Executive Summary

1. Purpose

This report contains an analysis of the cost of the 2017/18 Council Tax Support schemes and provides details about the proposed questions to be included in the public consultation in respect of the 2018/19 schemes, specifically that

- a) Adur may introduce and Worthing may retain the £5.00 weekly restriction
- b) For both Councils the rules for Council Tax Support should remain the same as the rules for Housing Benefit and Universal Credit

2. Recommendations

The Joint Strategic Committee is asked to:

- (i) Note the content of this report
- (ii) Consider whether the proposed questions shown in appendices one and two should form the basis of the public consultation to be conducted in respect of the schemes for 2018/19 for:
 - a) Adur District Council
 - b) Worthing Borough Council

3. Context

- 3.1 Since April 2013 Members have had the freedom to set a local Council Tax Support Scheme in respect of “working age” customers. Both Councils opted to retain the national scheme for 2013/14 and 2014/15 and whilst Adur District Council also retained the national scheme for 2015/16, 2016/17 & 2017/18, Worthing Borough Council introduced a £5.00 per week restriction from 1 April 2015 for all “working age” customers together with a discretionary budget to allow additional assistance to be provided where appropriate.

- 3.2 There are statutory protections for all pensioners and refugees, so local schemes only apply to “working age” customers.
- 3.3 At the meeting of Adur Full Council held on 23 February 2017 it was resolved that
- There should be no restrictions introduced in respect of the 2017/18 scheme; and
 - No other changes should be made beyond necessary technical amendments required to keep the scheme consistent with the national rules in respect of Housing Benefit; and
 - A further public consultation should be conducted during 2017 to inform the decision in respect of the 2018/19 scheme
- 3.4 Worthing Borough Council delegated the decision about the 2017/18 scheme to the Cabinet Member for Resources (in consultation with the Cabinet Member for Customer Services) and on 25 January 2017 it was determined
- The £5.00 weekly restriction should be retained; and
 - No other changes should be made beyond necessary technical amendments required to keep the scheme consistent with the national rules in respect of Housing Benefit; and
 - A further public consultation should be conducted during 2017 to inform the decision in respect of the 2018/19 scheme

4. Issues for consideration

- 4.1 The introduction of local schemes was accompanied by a reduction of around 10% in the amount of subsidy paid to local authorities. However, the cost of benefits fell during 2013/14 and the final net cost of introducing the scheme in 2013/14 was substantially lower than expected:

	2013/14 estimated cost of CTS	Council share of overall cost	Grant received	Net cost	Percentage shortfall in funding
	£'000	£'000	£'000	£'000	%
Adur	4,975	856.7	-850	6.7	0.78%
Worthing	7,049	1,004	-947	5.7	5.68%

- 4.2 Whilst Adur District Council also retained the national scheme for 2015/16 and 2016/17, Worthing Borough Council
- Introduced a £5.00 per week restriction for all “working age” customers; and
 - Created a discretionary budget to allow additional assistance to be provided where appropriate; and
 - Provided 1 x FTE additional member of staff to the Revenues & Recovery Team in anticipation of the additional recovery work that would arise

- 4.3 Over the past few years the cost of Council Tax Support has fallen as local employment has improved and as the result of the introduction of the £5.00 weekly restriction in Worthing from 1 April 2015 the overall cost has been:

	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Actual	2017/18 Estimate
	£'000	£'000	£'000	£'000	£'000	£'000
Adur	5,195	4,975	4,633	4,414	4,313	4,546
Worthing	7,287	7,049	6,754	5,201	5,167	5,764
	12,482	12,024	11,387	9,615	9,480	10,310
Annual decrease (-) / increase		-3.7%	-5.3%	-15.6%	-1.4%	8.8%

- 4.4 However, the grant towards the cost of Council Tax Support Schemes has been consolidated into the Revenue Support Grant which has fallen each year and will cease by 2018/19. This means that the Councils face an ever-increasing cost associated with the scheme. By 2017/18, the level of subsidy is expected to be:

	2017/18 cost of CTS	Council share of overall cost	Grant received	Net cost	Percentage shortfall in funding
	£'000	£'000	£'000	£'000	%
Adur	4,546	797.0	-422.4	374.6	47.0
Worthing	5,764	747.0	-477.1	269.9	36.1

- 4.5 The amount of subsidy that the Councils are required to contribute towards the cost of the schemes will continue to increase as Revenues Support Grant is reduced. Based on a 2% increase in both the basic Council Tax and the Social Care levy from West Sussex County Council in 2018/19 and 2019/20, the level of subsidy will increase as follows:

Net Cost of Council Tax Support	2013/14 Actual	2015/15 Actual	2015/16 Actual	2016/17 Actual	2017/18 Estimate	2018/19 Estimate
	£'000	£'000	£'000	£'000	£'000	£'000
Adur	6.7	46.3	101.8	243.6	374.6	541.4
Worthing	57.0	125.9	16.5	133.5	269.9	355.6

- 4.6 The restriction implemented in Worthing in respect of 2015/16 resulted in all working age" customers being asked to pay at least £261.43, subject to being able to apply for additional financial support by way of a discretionary award.
- 4.7 For those customers who were previously in receipt of maximum Council Tax Support (and therefore had £nil to pay) this represented a significant change and considerable work was undertaken to engage with these customers to discuss a realistic payment arrangement and ensure that financial inclusion was maximised.

- 4.8 Additionally, the issue of a summons and the Magistrates' Court granting a Liability Order results in costs of £110.00 being added to the account. If an account is subsequently referred to an Enforcement Agent additional statutory fees of either £75.00 or £310.00 will also become due (the level of the fees depends on the stage at which the customer engages with the Enforcement Agent).
- 4.9 In conjunction with the Customer Service Team, an empathetic approach has been taken when considering payment arrangements and where appropriate customers have been provided with assistance to complete an application form for a discretionary award and/or signposted to debt advice agencies.

5. Engagement and Communication

- 5.1 The proposed questions to be included in the public consultations are detailed in appendices one and two.
- 5.2 The consultation will be made available online and in paper format, and will be publicised widely.
- 5.3 The results from the consultation will be reported back to the Joint Strategic Committee in order that formal recommendations can be made to the respective Full Councils to determine the Council Tax Support schemes in respect of 2018/19.

6. Financial Implications

- 6.1 When the £5.00 restriction was introduced by Worthing Borough Council in 2015/16, the Council saw an immediate increase in Council Tax income, however to achieve this level of income the Council needed to invest in additional staff, a new hardship fund, and allow for an increased level of write off. The eventual financial benefit was:

	Overall gain in 2015/16	Worthing Borough Council share
	£'000	£'000
Estimated impact of reduced Council Tax Support cost on Council Tax income	1,098.7	153.5
Less: Additional staffing required	-20.0	-20.0
Less: Hardship Fund	-80.0	-20.0
Less: Allowance for increased write offs @ 5%	-54.9	-7.7
	943.8	105.8

- 6.2 If Adur members choose to implement a £5.00 per week restriction accompanied by a discretionary Council Tax Support Hardship Fund, the financial gain in respect of 2018/19 is estimated to be:

	Overall	Adur District Council share
	£'000	£'000
Impact of reduced Council Tax Support cost on Council Tax income	739.5	126.5
Less: Additional collection costs	-20.0	-20.0
Less: Hardship Fund	-80.0	-20.0
Less: Allowance for increased write offs @ 5%	-37.0	-6.3
	602.5	80.2

7. Legal Implications

- 7.1 In respect of 2013/14 and 2014/15 both Councils adopted an amended “default” Council Tax Reduction Scheme. Adur also adopted the “default” Council Tax Reduction Scheme in respect of 2015/16 and 2016/17. In all instances this was in accordance with The Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012, Statutory Instrument 2012 No. 2886 and The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, Statutory Instrument 2012 No. 2885.
- 7.2 Any Council Tax Reduction Scheme must comply with the relevant sections of the Local Government Finance Act 2012 and with the delegated legislation under that Act as contained within The Council Tax Reduction Scheme (Default Scheme) Regulations 2012 and the Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012, as amended.
- 7.3 Further, under Schedules 4 paragraph 3 of the Local Government Finance Act 2012 the Councils are required before making the Schemes (and to do so in the following order) to consult with the major precepting authorities, publish a draft scheme in such manner as it thinks fits and consult with such other person as it considers are likely to have an interest in the operation of the Scheme. Note that any revision of a Scheme must follow the same process as the making a Scheme. In the case of *R (Moseley) v London Borough of Haringey [2014] UKSC 56* the Supreme Court held that the statutory duty of consultation required the consultees to be provided with information about the draft scheme but also with an outline of the realistic alternatives and an indication of the authority’s main reasons for adopting the draft scheme.
- 7.4 There is therefore a requirement to consult annually with residents.

Background Papers

Localising Support for Council Tax in England report to the Joint Strategic Committee held on 22nd July 2014

Welfare Reform Act 2012

Local Government Finance Bill 2012

Minutes of the meetings of the Joint Strategic Committee of Adur District and Worthing Borough Councils held on 26 July 2012, 28 November 2012, 3 December 2013, 2 December 2014, 2 February 2016 and 10 January 2017

Minutes of the Adur Full Council meeting held 23 February 2017

Decision made by the Council Executive Member for Resources for Worthing Borough on 25 January 2017 (reference W/RES/007/16-17)

Officer Contact Details:

Paul Tonking
Head of Revenues & Benefits
(01903) 221290
paul.tonking@adur-worthing.gov.uk

Sustainability & Risk Assessment

1. Economic

Whilst Council Tax represents an important source of income to the Councils, financial support must be provided to residents on a low income via appropriate Council Tax Support schemes.

2. Social

2.1 Social Value

Matter considered and no issues identified.

2.2 Equality Issues

Matter considered and no issues identified.

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified.

2.4 Human Rights Issues

Matter considered and no issues identified.

3. Environmental

Matter considered and no issues identified.

4. Governance

Matter considered and no issues identified.

Adur District Council Council Tax Support Scheme 2018/19 Consultation Questionnaire

What is Council Tax Support?

Council Tax Support (previously known as Council Tax Benefit) is awarded to people on a low income who pay Council Tax. We look at how much money comes into the household and then reduce the amount of Council Tax to be paid.

What is this consultation about?

Pensioners have their entitlement to help worked out using rules set by the Government and they may have no Council Tax to pay.

However, the rules for working age customers are decided by the Council each year. For the current financial year (2017/18) the Council decided that

- Subject to looking at the amount of money coming into the household, there should be no restriction to the amount of help that's provided. This means that some customers have no Council Tax to pay
- Any changes to the rules for Council Tax Support are based on the rules for Housing Benefit and Universal Credit made by the Government

We would like to know whether you think there should be any changes to the Council Tax Support scheme from 1 April 2018.

Please send your answers to:

The Shoreham Centre
Pond Road
Shoreham-by-Sea
West Sussex
BN43 5WU

Portland House
44 Richmond Road
Worthing
West Sussex
BN11 1HS

Worthing Town Hall
Chapel Road
Worthing
West Sussex
BN11 1HA

Your answers are important to us so please let us know what you think.

The consultation closes on dd/mmm/yyyy.

About You

Q1. Do you (please tick all that apply)

- | | |
|---|---|
| <input type="checkbox"/> Live in Adur | <input type="checkbox"/> Live in Worthing |
| <input type="checkbox"/> Work in Adur | <input type="checkbox"/> Work in Worthing |
| <input type="checkbox"/> Run a business in Adur | <input type="checkbox"/> Run a business in Worthing |
| <input type="checkbox"/> None of the above | |

Q2. How old are you?

Q3. What's your postcode?

Q4. Do you currently get Council Tax Support? Yes No Don't know/Not sure

Q5. Are you disabled? Yes No Don't know/Not sure Prefer not to say

Next year's scheme

Q6. If we introduce a restriction of £5.00 per week this would mean that all working age customers who get Council Tax Support would be asked to pay Council Tax of at least £26.00 per month. Should we introduce a £5.00 per week restriction with extra help made available for those who would find paying £5.00 difficult?

- No Yes Don't know

Q7. Should the rules for Council Tax Support be the same as the rules for Housing Benefit and Universal Credit (for example, the rules about the way we work out how much income is coming into the household) so that people understand how the scheme works?

- No Yes Don't know

Q8. Are there any other changes that you would like to see from 1 April 2018?

Thank you for taking the time to complete this questionnaire

APPENDIX TWO - proposed text for the public consultation in Worthing

Worthing Borough Council Council Tax Support Scheme 2018/19 Consultation Questionnaire

What is Council Tax Support?

Council Tax Support (previously known as Council Tax Benefit) is awarded to people on a low income who pay Council Tax. We look at how much money comes into the household and then reduce the amount of Council Tax to be paid.

What is this consultation about?

Pensioners have their entitlement to help worked out using rules set by the Government and they may have no Council Tax to pay.

However, the rules for working age customers are decided by the Council each year. For the current financial year (2017/18) the Council decided that

- All awards should be reduced by £5.00 per week. This means that all customers are asked to pay at least £260.71 for the whole year but extra help may be offered to those in need
- Any changes to the rules for Council Tax Support are based on the rules for Housing Benefit and Universal Credit made by the Government

We would like to know whether you think there should be any changes to the Council Tax Support scheme from 1 April 2018.

Please send your answers to:

Worthing Town Hall
Chapel Road
Worthing
West Sussex
BN11 1HA

Portland House
44 Richmond Road
Worthing
West Sussex
BN11 1HS

The Shoreham Centre
Pond Road
Shoreham-by-Sea
West Sussex
BN43 5WU

Your answers are important to us so please let us know what you think.

The consultation closes on **dd/mmm/yyyy.**

About You

Q1. Do you (please tick all that apply)

- | | |
|--|--|
| <input type="checkbox"/> <i>Live in Worthing</i> | <input type="checkbox"/> <i>Live in Adur</i> |
| <input type="checkbox"/> <i>Work in Worthing</i> | <input type="checkbox"/> <i>Work in Adur</i> |
| <input type="checkbox"/> <i>Run a business in Worthing</i> | <input type="checkbox"/> <i>Run a business in Adur</i> |
| <input type="checkbox"/> <i>None of the above</i> | |

Q2. How old are you?

Q3. What's your postcode?

Q4. Do you currently get Council Tax Support? Yes No Don't know/Not sure

Q5. Are you disabled? Yes No Don't know/Not sure Prefer not to say

Next year's scheme

Q6. Should we keep the current £5.00 per week restriction with extra help for those who would find paying £5.00 difficult?

- No Yes Don't know

Q7. Should the rules for Council Tax Support be the same as the rules for Housing Benefit and Universal Credit (for example, the rules about the way that we work out how much income is coming into the household) so that people understand how the scheme works?

- No Yes Don't know

Q8. Are there any other changes that you would like to see from 1 April 2018?

Thank you for taking the time to complete this questionnaire