



Joint Strategic Committee
11 January 2022

ADUR & WORTHING COUNCILS

Key Decision: No

Ward(s) Affected: All

Council Tax Support Schemes for Worthing Borough Council in respect of 2022/23 & 2023/24

Report by the Director for Digital, Sustainability & Resources

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Executive Summary

1. Purpose

1.1 This report relates to the Council Tax Support schemes for Worthing Borough Council in respect of 2022/23 and 2023/24. It has been produced following the decision made by the Joint Strategic Committee on 7 December 2021 that officers should provide further details about options for:-

- Enhancing the budget for discretionary awards during 2022/23; and
- Removing the £5.00 weekly restriction from 1 April 2023 and the associated timescales

2. Recommendations

2.1. The Joint Strategic Committee is asked to:

- a. Note the content of this report;
- b. Approve the start of the consultation with the precepting bodies for the development of the 2023/24 Council Tax Support scheme;
- c. Note that a further report will be presented to Committee in June outlining the options for a new scheme and the public consultation approach; and

- d. Approve the release of £100,000 from the Capacity Issues Reserve to increase the hardship fund for 2022/23

3. Context

- 3.1 On 7 December 2021 the Joint Strategic Committee considered a report to determine the criteria for the respective Council Tax Support schemes for working age customers in respect of 2022/23.
- 3.2 Adur Members decided to recommend to the Full Council that the scheme for Adur District Council should be based upon the scheme for 2021/22 with no restrictions and that 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.
- 3.3 Worthing Members decided
- i. That the £5.00 weekly restriction should be removed as soon as possible
 - ii. That it was appropriate to accept the advice from officers that the risks of changing the scheme for 2022/23 and that it was therefore not possible to change the scheme due to the development and consultation timescales involved
 - iii. To recommend to Full Council that in respect of 2022/23
 1. That the discretionary budget to support those in severe financial difficulty should be retained
 2. The scheme should be based on the scheme for 2021/22 with the £5.00 weekly restriction retained
 3. 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
 - iv. To request that the scheme for 2023/24 is developed to remove the £5.00 weekly restriction and that officers should start the consultation process with the precepting bodies as soon as possible
 - v. To request that a further report is presented to the Committee on 11 January 2022 that outlines the options and associated timescales for the scheme for 2023/24
 - vi. To request that officers investigate the feasibility of a discretionary hardship scheme for 2022/23 similar to the current scheme of £150 per household with a report to be presented to the committee by March 2022
 - vii. To request that officers investigate other measure to alleviate hardship and consider how to fund this as part of the budget-setting process
- 3.4 This report addresses points v to vii above.

4. Engagement and Communication

- 4.1 The Local Government Finance Act 1992 Schedule 1A, paragraph 5.2 provides that the latest date to set the Council Tax Support Scheme is the 11 March preceding any financial year. Appendix A contains details about the requirement to consult about proposed changes to a scheme.

4.2 The following logistical considerations have been considered by officers in respect of the scheme for 2023/24:

- Initial consultation with Members about changes to the scheme to meet policy objectives following local elections in May 2022
- Consultation with precepting bodies
- Report to JSC to approve the principles of the draft scheme and public consultation questions (to include details about the responses from the precepting bodies)
- Public consultation
- Report to JSC to include the outcomes of the public consultation, seeking approval of the scheme with a recommendation to Full Council
- Software testing of the proposed new scheme
- Full Council decision to confirm the new scheme and annual Council Tax setting 2023/24
- Implementation of the new scheme

Indicative timescales are shown in Appendix B.

5. Financial Implications

5.1 When the £5.00 weekly restriction was introduced in Worthing with effect from 1 April 2015 provision of a discretionary budget to help those in severe financial difficulty was also made. The budget is currently £99,000 per annum of which £60,000 is funded by the County Council. Applications are considered and the administration of awards is undertaken on a case-by-case basis to fully or partially offset the £5.00 restriction.

5.2 The removal of the restriction is likely to have a significant cost impact on the collection fund which will then be shared between the precepting bodies. Based on the impact of introducing the restriction for 2015/16, it is estimated that the collection fund will lose approximately £1.4m of income per year. This will be split across the precepting authorities as follows:

- Worthing Borough Council - £175,600
- West Sussex County Council - £1,071,900
- Sussex Police Authority - £152,500

5.3 With the introduction of a more generous scheme, the current hardship scheme could be ended which will produce a net saving of £39,000 to offset the loss of income for the Council. Consequently, the net cost is likely to be in the region of £137,000. However the final cost will depend on the number of claimants and their income levels.

5.4 The Council can opt to provide additional discretionary support in 2022/23 ahead of the introduction of a new scheme for 2023/24. This can take one of two forms:

- i) A blanket reduction in the level of Council Tax payable by all working age claimants;
- ii) An enhanced hardship scheme, targeted at our most deprived residents.

The cost of any discretionary scheme will fall wholly on the Council.

5.5 Separately, for each of the last two financial years (2020/21 and 2021/22 since the start of the COVID pandemic) the government has provided funding so that

discretionary awards of up to £150.00 per annum can be awarded to all working-age customers. Applications are not required and awards are made automatically provided the customer is entitled to Council Tax Support at some point during the financial year.

5.6 However, this support has not been replicated for 2022/23 as part of settlement. The cost of the £150.00 additional payments in 2021/22 is currently estimated at £630,000 which will be funded as follows:

- Worthing Borough Council £133,000
- West Sussex County Council £497,000

This was funded through the one-off Council Tax Support Grants that each of the Councils received in 2021/22.

5.7 Since the government had not provided a 2022/23 Council Tax Support grant, the Council is not currently in a position to repeat the £150.00 additional awards for next year. However, the position could be reviewed if further government funding is made available in the light of the new pandemic pressures.

5.8 However, the Council could increase the hardship funding available to through the targeted discretionary award scheme. The Councils use a data analysis tool called LIFT which interrogates revenues and benefits data to assess the financial position of customers. In Sept 2021 analysis showed the following customers in categories of financial difficulty in Worthing

- Coping - 6,433 (94.2%)
- Struggling - 240 (3.5%)
- At Risk - 119 (1.7%)
- In Crisis - 39 (0.6%)

Our current hardship fund has sufficient resources to

- a) Remove the minimum annual payment of a little over £260 (£5.00 per week) from 380 households (which would address the majority of customers in the 'Struggling' to 'In Crisis' categories as at Sept 2021); or
- b) Award £150.00 to 660 households

Awards are made through an application process and are based on an assessment of income and expenditure case by case.

5.9 The number of customers shown in the four LIFT categories in paragraph 5.8 is likely to alter either as the result of individual circumstances changing or due to broader economic and employment conditions, and could well increase over the next period. An additional investment in the hardship fund would enable the Council to support all the customers in the 'Struggling', 'At Risk' and 'In Crisis' categories whilst also providing a safety net for those currently coping but whose circumstances may change. An additional investment of £100,000 into the hardship fund would mean that support could be provided to between 760 (at £260) and 1,300 (at £150) households.

6. Legal Implications

- 6.1 The Local Government Finance Act 2012 amended the Local Government Finance Act 1992 in relation to Council Tax Reduction Schemes (England).
- 6.2 Paragraph 3 in schedule 1A of the amended 1992 Act states that before making a scheme the authority must consult the major precepting authority, publish a draft scheme and consult such other persons as it considers are likely to have an interest in the operation of the scheme.
- 6.3 Paragraph 5 in the same schedule states that each financial year each billing authority must consider whether to revise its scheme or to replace it with another scheme and that a duty to consult applies when revising a scheme in the same way as when the authority was making the scheme.

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, 10 January 2017, 5 December 2017, 31 January 2019, 14 January 2020 and 1 December 2020

Minutes of the Adur Full Council meeting held on 17 December 2020

Minutes of the Worthing Full Council meeting held on 15 December 2020

Minutes of the Joint Strategic Committee meeting held on 7 December 2021

Minutes of the Worthing Full Council meeting held on 14 December 2021

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.

Appendix A - details about the requirement to consult about proposed changes to a scheme

Decision making for Council Tax schemes is governed by Schedule 4 of the Local Government Finance Act 2012 and Schedule 1A of the Local Government Finance Act 1992 (as amended).

At Paragraph 3 to Schedule 1A of the LGFA 1992 the Schedule specifies the necessary consultation requirements for the development of any new scheme, which includes the 'revision and replacement' of a Scheme - Paragraph 5.5 of Schedule 1A.

Paragraph 5 - Revisions to and replacement of a scheme

- (1) For each financial year, each billing authority must consider whether to revise its scheme or to replace it with another scheme.
- (2) The authority must make any revision to its scheme, or any replacement scheme, no later than [11 March] in the financial year preceding that for which the revision or replacement scheme is to have effect.
- (3) The Secretary of State may by order amend sub-paragraph (2) by substituting a different date.
- (4) If any revision to a scheme, or any replacement scheme, has the effect of reducing or removing a reduction to which any class of persons is entitled, the revision or replacement must include such transitional provision relating to that reduction or removal as the authority thinks fit.
- (5) Paragraph 3 applies to an authority when revising a scheme as it applies to an authority when making a scheme.
- (6) References in this Part to a scheme include a replacement scheme.

Schedule 3 - Preparation of a Scheme - consultation requirements

- (1) Before making a scheme, the authority must (in the following order)—
 - (a) consult any major precepting authority which has power to issue a precept to it,
 - (b) publish a draft scheme in such manner as it thinks fit, and
 - (c) consult such other persons as it considers are likely to have an interest in the operation of the scheme.
- (2) The fact that this paragraph was not in force when any step described in sub-paragraph (1) was taken is to be disregarded in determining whether there has been compliance with that sub-paragraph.
- (3) Having made a scheme, the authority must publish it in such a manner as the authority thinks fit.
- (4) The Secretary of State may make regulations about the procedure for preparing a scheme.
- (5) Regulations under subparagraph (4) may in particular—
 - (a) require the authority to produce documents of a particular description in connection with the preparation of a scheme;
 - (b) include requirements as to the form and content of documents produced in connection with the preparation of a scheme;
 - (c) include requirements (in addition to sub-paragraphs (1)(b) and (3)) about the manner in which such documents must be published;

- (d) require the authority to make copies of such documents available for inspection by members of the public, or to supply copies of such documents to them;
- (e) include provision about the making of reasonable charges for the supply of copies of such documents to members of the public.

The Act was then supplemented by guidance from the then Department for Communities & Local Government (see [Localising Support for Council Tax - A Statement of Intent at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/6091/2146581.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/6091/2146581.pdf)) which further specified the following:

In respect of the timing of consultations:

- 2.14 A billing authority will need to take account, in developing a local scheme, that a realistic time frame must be put in place to ensure feedback can be sought from all appropriate individuals and groups in the community. The length of any consultation should also reflect the changes proposed.
- 2.15 Although Government's code of practice on consultation states that normally 12 weeks is appropriate, billing authorities may wish to consider the appropriate length of their consultation depending on the impact of their proposals and the ability to complete the consultation exercise within budgetary timetables.
- 2.16 The code of practice indicates that where timing is restricted, for example, due to having to meet a fixed timetable such as a budget cycle, there may be good reason for a shorter consultation, and any documentation should be clear for the reasons for the shorter timetable.

In respect of the extent of Consultations:

- 2.19 The content of any consultation will depend on the complexity of the reduction scheme that is proposed to be introduced. Billing authorities will need to consider administrative processes that they may require – such as whether an application is needed, or how existing working age claimants can transition to the new local schemes.
- 2.20 A billing authority will be under a duty to adopt a local council tax reduction scheme. Where the reduction scheme they adopt fundamentally changes all aspects of any existing scheme they may need to provide greater detail of its impacts than a reduction scheme that simply amends the level of awards but not the qualifying criteria.
- 2.21 Nonetheless, to be an effective consultation, a billing authority will need to ensure that all interested parties are able to give their view and influence the design of the scheme.

The Cabinet Office also published "Consultations Principles Guidance" in 2018 at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/691383/Consultation_Principles_1_.pdf.

Appendix B - indicative timescales for the 2023/24 scheme

May 2022 June 2022 July 2022 Aug 2022 Sept 2022 Oct 2022 Nov 2022 Dec 2022 Jan 2023 Feb 2023 Mar 2023

Initial consultation to confirm policy intentions



Consult with precepting bodies



JSC report to approve scheme principles & consultation questions



Public consultation



JSC report to confirm consultation outcomes & JSC recommendation to Full Council



Full Council decision to confirm the scheme



Software testing of the proposed new scheme



Full Council decision to confirm tax-setting



Implementation of the new scheme

