



Key Decision: No

Ward(s) Affected: All

**Council Tax Support Scheme for Worthing Borough Council in respect of 2023/24 -  
public consultation questions**

**Report by the Director for Digital, Sustainability & Resources**

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**Executive Summary**

**1. Purpose**

- 1.1 At the meeting of the Joint Strategic Committee held on 11 January 2022 it was determined that a public consultation should be undertaken by Worthing Borough Council with a view to removing the £5.00 weekly restriction from the scheme with effect from 1 April 2023. This report provides recommended quotations to be asked in the consultation.

**2. Recommendations**

- 2.1 The Worthing Joint Strategic Sub-Committee is asked to:
- a. Note the content of this report; and
  - b. Approve the questions detailed in appendix B to be asked in the consultation.

### **3. Context**

- 3.1 On 7 December 2021 and 11 January 2022 the Joint Strategic Committee considered reports to determine the criteria for the Council Tax Support schemes for working age customers for both Adur District Council and Worthing Borough Council 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 to recommend to the Full Council that the 2021/22 scheme and associated discretionary budget should be retained but that a public consultation should be undertaken with a view to removing the £5.00 weekly restriction from 1 April 2023, subject to a further report to the Committee.
- 3.4 The respective Full Council meetings held on 24 February 2022 and 1 March 2022 subsequently endorsed the recommendations detailed in paragraphs 3.2 and 3.3.

### **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 Once the questions to be included in the consultation are approved, the consultation will be widely publicised via the Councils' website, social media and other communication channels to maximise the number of responses.

### **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 £93,070 per annum of which £59,170 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 would be split across the precepting authorities as follows:
- Worthing Borough Council - £175,060
  - West Sussex County Council - £1,079,550
  - Sussex Police Authority - £156,010
- 5.3 With the introduction of a new scheme, the current hardship scheme could be ended which will produce a net saving of £33,900 to offset the loss of income for the Council.

Consequently, the net cost is likely to be in the region of £141,000. However the final cost will depend on the Council Tax set for 2023/24, the number of claimants, and their income levels.

Finance Officer: Sarah Gobey

Date: 18th August 2022

## **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.
- 6.4 The detailed legal implications are as set out in Appendix A.

Legal Officer: Geoff Wild

Date: 3.8.22

## **Background Papers**

Localising Support for Council Tax in England report to the Joint Strategic Committee held on 22<sup>nd</sup> 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 meetings held on 7 December 2021 and 11 January 2022

Minutes of the Worthing Full Council meeting held on 1 March 2022

## **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](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/691383/Consultation_Principles_1_.pdf).

## Appendix B - proposed public consultation questions

### Introduction:

Those residents on low income are entitled to claim for Council Tax Support to reduce the amount of Council Tax paid each year.

Currently the amount of support given to working aged residents is different from the support given to pensioners. The scheme for working aged residents is set by the Council whereas the scheme for pensioners is set by the Government.

All working aged residents pay a minimum amount of £5.00 per week (£260.71 per year) irrespective of how low their income is.

There is a national scheme for pensioners which is determined by the government. The amount of Council Tax paid by pensioners depends on their level of income. Those pensioners on very low incomes pay no Council Tax at all.

The Council is consulting on changes to the scheme for working aged residents.

1. What is your postcode?
2. How old are you?
3. Do you
  - a. Live in Worthing
  - b. Work in Worthing
  - c. Run a business in Worthing
4. Do You currently receive Council Tax Support? (Yes, No)
5. Are you disabled? (Yes, No, Prefer not to say)
6. Should all working aged residents be expected to pay some Council Tax irrespective of how low their income is? (Yes,No)
7. If you answered yes to question 6 please indicate the level of Council Tax that should be paid per week:

Should the minimum amount paid per week by residents be:

- a. £2.00 per week or £104.29 per year (Yes,No)
  - b. £5.00 per week or £260.14 per year (the current amount paid) (Yes,No)
  - c. £7.50 per week or £391.07 per year (Yes,No)
  - d. Another amount (free text field)
8. Should the rules for determining the level of Council Tax Support for working aged residents be the same as the rules for pensioners, so that the amount of Council Tax paid is determined by the level of income as set out in the national scheme with no minimum payment required? (Yes, No)
9. Are there any other changes to the Council Tax Support scheme you think we should consider from 1 April 2023? (free text field)

