



Key Decision: No

Ward(s) Affected: All

Outcome of the public consultation in respect of the working age Council Tax Support Scheme for Worthing Borough Council in respect of 2023/24

Report by the Director for Digital, Sustainability & Resources

Officer Contact Details:

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

Sarah Gobey, Chief Financial Officer
(01903) 221221
sarah.gobey@adur-worthing.gov.uk

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 for working age customers with effect from 1 April 2023.
- 1.2 At the meeting of the Worthing Borough Council Joint Strategic Sub-Committee held on 6 September 2022 refinement of the consultation questions was delegated to the Head of Revenues & Benefits in conjunction with the Cabinet Member for Citizen Services.
- 1.3 The Council Tax Support scheme for pensioners is set nationally and Members therefore have no ability to determine local criteria.
- 1.4 This report details the consultation responses that have been received and recommends changes that could be made to the local working age Council Tax Support scheme for Worthing Borough Council in respect of 2023/24.

2. Recommendations

- 2.1 The Worthing Joint Strategic Sub-Committee is asked to note the content of this report and recommend to the Full Council that with effect from 1 April 2023 the following changes should be made to the local Council Tax Support scheme for working age residents in Worthing
- a) The £5.00 weekly restriction will no longer apply
 - b) The discretionary budget to support those in severe financial difficulty will no longer be required as the result of the removal of the restriction
 - c) A valid claim for Council Tax Support shall be deemed to have been made by customers who have been awarded Universal Credit and indicated that they wish to claim Council Tax Support (unless further information is required to enable entitlement to be determined)
 - d) 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. 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 Worthing Members decided to recommend to the Full Council that the 2022/23 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.
- 3.3 The Worthing Borough Council Joint Strategic Sub-Committee that was held on 6 September 2022 considered the questions to be used in the public consultation.
- 3.4 The consultation was open for just over six weeks between 30 September 2022 and 13 November 2022 with 193 responses received. This is a considerably higher figure compared with previous consultations (119 and 94 responses were received in October 2016 and October 2017 respectively). A summary of the responses is detailed in Appendix A.
- 3.5 The current scheme requires residents to submit an application for Council Tax Support to enable the Revenues & Benefits Service to assess each customer's financial circumstances and household composition.
- 3.6 However, an increasing number of working age customers submit a claim for Universal Credit to the Department for Work & Pensions (DWP) and when doing so are invited to indicate that they are liable for Council Tax and would like to claim Council Tax Support.

- 3.7 Once the DWP has assessed entitlement to Universal Credit an electronic file is securely sent to the Revenues & Benefits Service to confirm the Universal Credit award. In the majority of cases this file confirms the customer's income and household composition. Not all customers who are awarded Universal Credit are entitled to Council Tax Support (because their total income is too high) and the local scheme currently requires a separate claim to be made.
- 3.8 Upon receipt of a file from the DWP the Revenues & Benefits Service undertakes a "trial calculation" to establish whether the customer would qualify for Council Tax Support if a claim was to be made. If they would qualify, a claim form for Council Tax Support is sent to the customer for completion and return.
- 3.9 The majority of customers subsequently submit an application form but unfortunately some do not. It is therefore recommended that wherever possible, with effect from 1 April 2023 the submission of a claim for Universal Credit together with an indication that the customer wishes to claim Council Tax Support should be treated as a valid claim for Council Tax Support.
- 3.10 If agreed, this change will improve service delivery in respect of
- The customer because they will not need to complete a separate application form for Council Tax Support; and
 - The Revenues & Benefits Service because entitlement to Council Tax Support can be immediately assessed without requiring a separate claim form

It is anticipated that the "take up" rate for claiming Council Tax Support will improve because the majority of customers in receipt of Universal Credit will have their entitlement to Council Tax Support assessed, thereby reducing the amount of Council Tax they are asked to pay.

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 B contains details about the requirement to consult about proposed changes to a scheme.
- 4.2 The consultation was widely publicised via the Councils' website, social media and other communication channels to maximise the number of responses. Consultations have also been undertaken with the major precepting authorities (West Sussex County Council and the Sussex Police & Crime Commissioner).
- 4.3 The Sussex Police and Crime Commissioner (PCC) is supportive of the proposed changes although the PCC highlights that there will be implications to the local policing budget arising from the lost Council Tax income equivalent to the loss of 2 PCSOs. The response from the County Council is due shortly and will be verbally reported to members at the meeting.

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. This has been recently revised for the most recent information about the number of claimants and the average cost per claim. The overall cost is now likely to be £720,520. This would be split across the precepting authorities as follows:

- Worthing Borough Council - £89,440
- West Sussex County Council - £551,370
- Sussex Police Authority - £79,710

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 £55,540. However the final cost will depend on the Council Tax that is set for 2023/24, the number of claimants, and their income levels.

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 in such manner as it thinks fit, 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 B.

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, 1 December 2020, 7 December 2021 and 11 January 2022

Minutes of the Worthing Full Council meetings held on 15 December 2020 and 1 March 2022

Minutes of the Worthing Borough Council Joint Strategic Sub-Committee meeting held on 6 September 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.

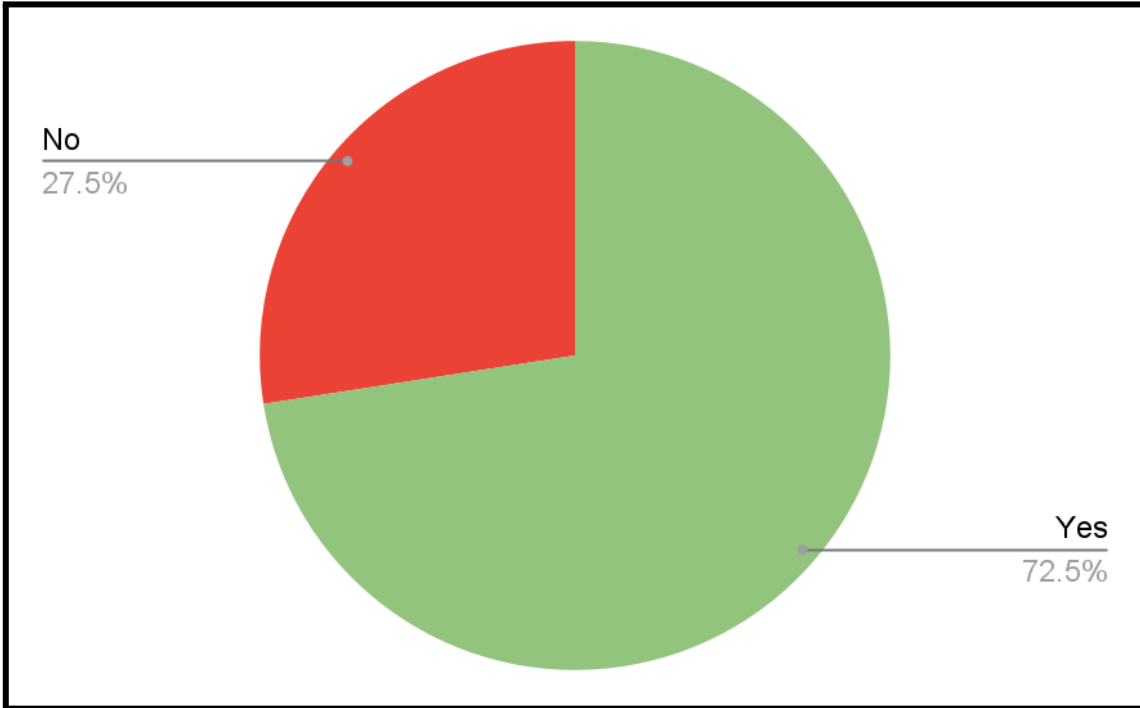
4. Governance

Matter considered and no issues identified.

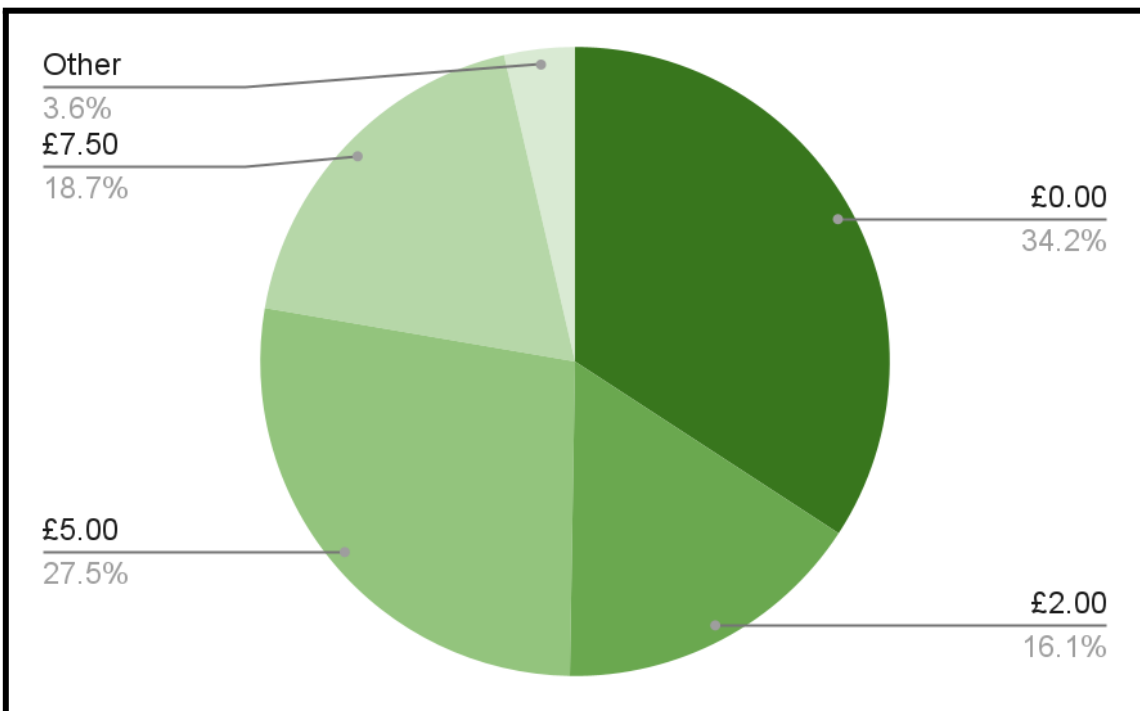
Appendix A - responses to the public consultation

Total number of responses received: 193

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?



Should the minimum amount of Council Tax paid per week by working age residents be:



Other amounts:

- £10.00 per week (2 responses)
- £20.00 per week (1 response)
- £25.00 per week (1 response)
- £150.00 per month (1 response)
- “Discounts should be minimal” (1 response)
- “Everyone should pay the same, we all need our bins emptying” (1 response)

Are there any other changes to the Council Tax Support scheme you think we should consider from 1 April 2023?

- No answer provided (109 responses)
- No other changes (26 responses)
- 1 response for each of the following
 - No changes needed - too many expect support
 - No, each case on merit
 - £5 per week seems gesturing, it causes poor residents a lot of problems and it costs a lot in man hours to collect it
 - 100% off for low income families
 - Actually spend it on things that are necessary - not useless "improvements" to the town centre that people have not asked for
 - All means tested claimants, should get their full council tax support
 - Are there disabled adults living in the household that are not necessarily the bill payer but deserve some sort of reduction because of this
 - As a single mum I really struggle with the £5 a week especially with everything else going up in price
 - As expensive as council tax is, it's related to the size of your home, not your income and should stay that way. You buy a big house, you pay more, not my problem!
 - Consider disposable income rather than gross earnings
 - Council tax reduced for all
 - Council tax statements should be clearer. And threats of non payment consequences should not be issued from day one of a query
 - Deferral scheme and/or repayment plans
 - Depends what you define as low income. If people do not have full time jobs why not make it mandatory to volunteer to various schemes in the area to qualify for the support. Eg. Helping gardening crews or volunteering for a few shifts at local charity shops
 - Discretion and the ability to pay should always be the case. Central government should also honour what is due to local authorities. I can see a dilemma next financial year where Council tax will rise with a lot of local residents being unable to pay everything that is owed
 - Don't know
 - Double tax on empty houses and second homes. Increase council tax by sufficient to cover all needs
 - Every household should pay towards our local amenities. Paying less is okay but everyone should contribute. I worry that giving a discount to a few will result in the many paying even more. We're a D band, doesn't make us rich or posh.

The system, based on historic property value is fundamentally unfair, and I fear your proposals will make the system even more unfair

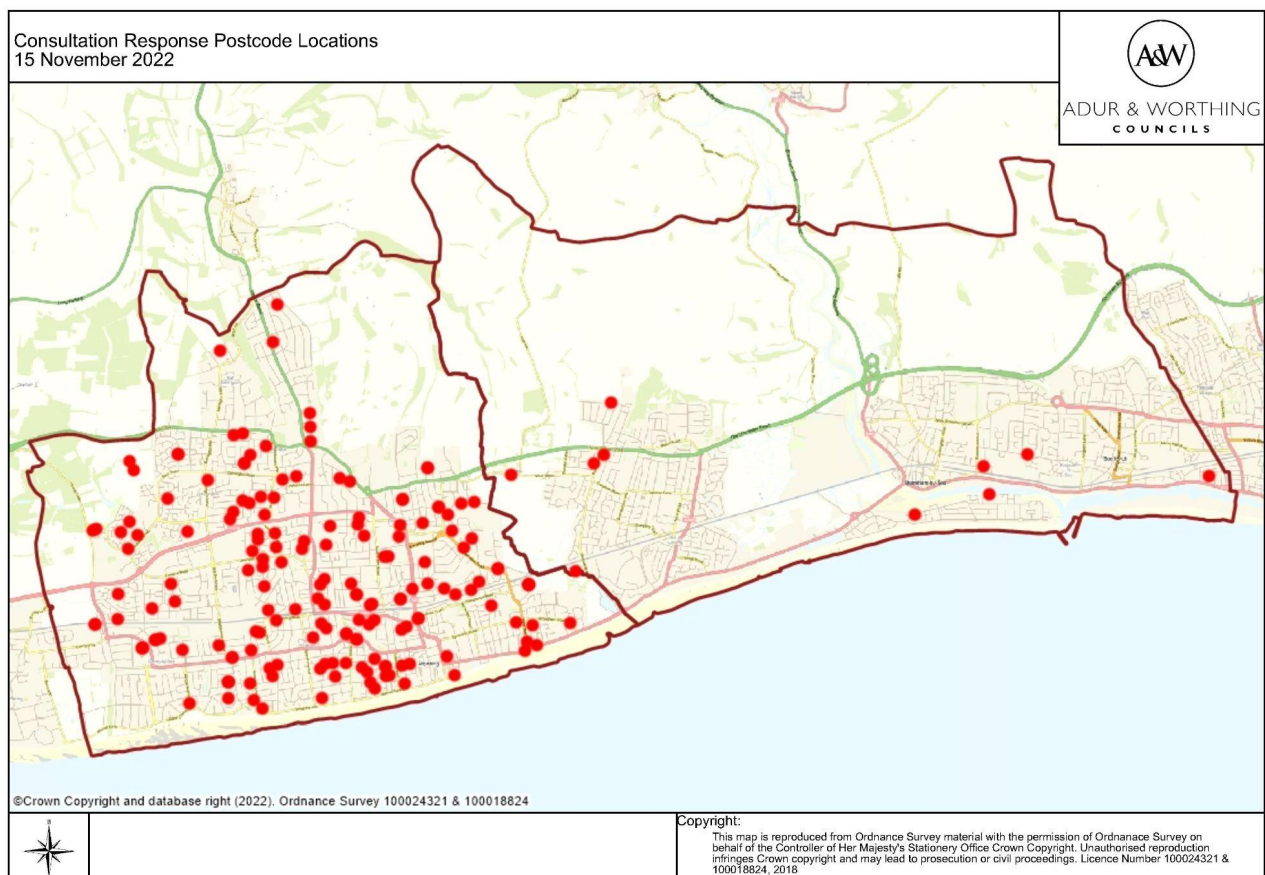
- Families should have to fill a financial form out. If they smoke or drink lots, indulge in luxuries and lots of takeaways then they should be able to pay council tax like everyone else. I'm a disabled person with a partner on a relatively good income, because of his income we don't get any help yet we have 3 kids and struggle to make it work with one income. I don't see why those who have money for addictions should be allowed to pay less than those who work hard
- How about supporting working families that don't claim benefits but are still struggling, why is it always people on benefits that get the help? What about working normal families????
- I am a single parent, work as much as I can and still can't afford my council tax, I was left in debt with council tax from my ex partner and had to set up £200 a month repayment this led me to eat mouldy food etc... as I probably earn this every 2 weeks, I was so scared to not pay because of court threats etc... more help needs to be provided
- I don't know enough about it to comment
- I think all residents, who are not pensioners on a low income, should contribute to the running cost of the council, libraries etc, they use the facilities the same as us all, plus it gives people a feeling of worthiness
- I think it's disgusting that people on the lowest level of benefits have to pay council tax
- I think there should also be a reconsideration of which CTS arrears cases get referred to enforcement agents (EAs), perhaps with some kind of threshold. If someone on low income is unable to pay their Council Tax at a reduced rate then it's absurd to expect them to pay extra fees to the EAs. Quite often in such cases, the affected person will struggle to even cover the EA fees, let alone the Council Tax they owe. Also, not only do EAs compound the financial issues someone might be facing, but they also exacerbate the stress that such financial situations come with. It's not fair to put someone in an already difficult situation in a worse position. Thank you for this consultation and I hope the new Worthing administration holds a different view to the last
- I think there should be the ability for those on the lowest of incomes to pause council tax payments if needed. For example if there is an emergency at home a financial expense in that month that an individual didn't plan for. The ability to pause their councils tax payment for the month and make it up in the next few months should be available. It might help lessen the stress of aspects of the cost of living crisis
- I think you should clarify what you consider to be low income. Do you compare income with outgoings? For example my daughter-in-law earns less than £700 a month as she can only work part-time. My son is recovering from cancer and a total breakdown and lives on Universal Credit. The combined income is less than £2,000 a month usually but they are expected to find and over £1,000 rent, £130 council tax plus Utilities and with food prices going up the way they are they wouldn't manage without my help
- I would like cases looked at on their merit. I am a pensioner, my partner is of working age but works part time, we appear to be judged on the working age scale. There has been conflicting information about the £5 minimum payment. It is either the minimum payment or it is the minimum amount which can be deducted, take your pick. I am on a state Pension and my partner is on UC, yet we were offered a 63p reduction in a recent letter. I am in dispute with Revs and

Ben's currently. I am not trying to dodge paying, but asking for help, the 4 letters I have received have been confusing to all who read them including a Local Councillor

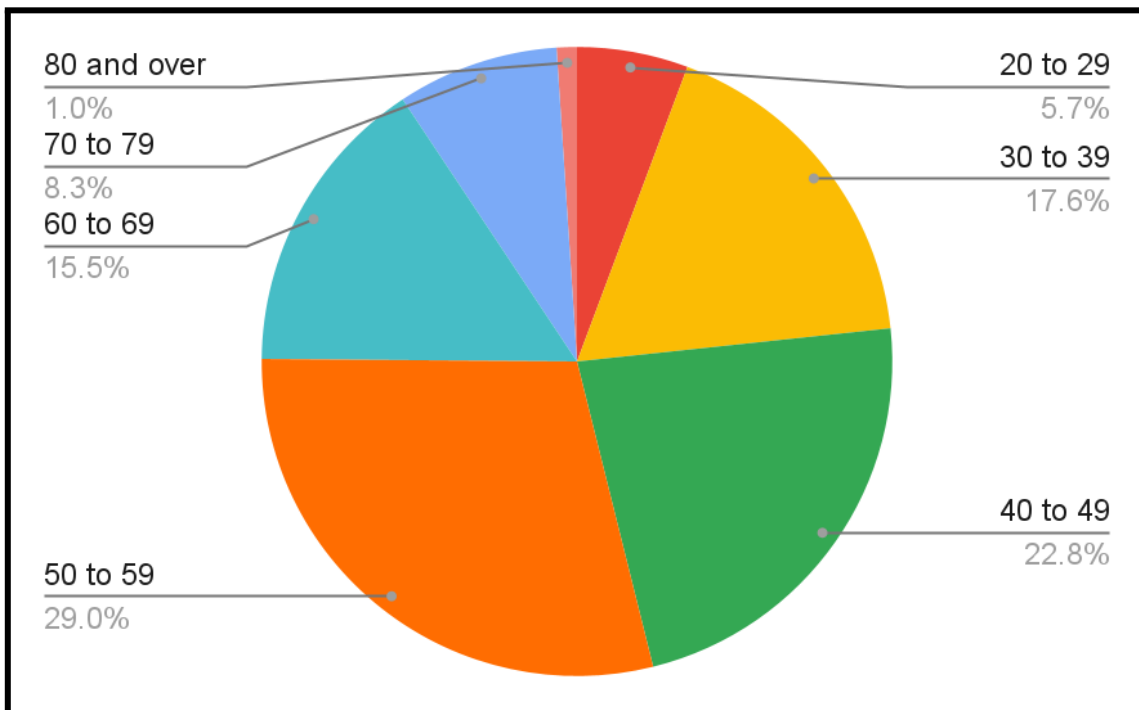
- I would recommend Council Tax to try to communicate more effectively to residents, and not sending notices that only require a 3, or 5, or 7 days reply with payment. There isn't enough time sometimes, for the money to be found and the payment to happen. The Council so far is acting cruel, without actual help, full of demand, but when it is to respond to queries is taking ages to reply, without taking under consideration the difficult times we are all facing...It's a shame that we fear to get in touch with Council because of the treatment we receive, and the attitude 'get what we can from the residents' towards us! I feel deeply disappointed, hopefully someone will listen and change things
- If the vulnerable person get the same as the non vulnerable person as the non vulnerable get everything while vulnerable people get nothing
- If you have a mechanism to allow non payment of council tax contributions, many will abuse it. The £1500 a year discount they already get is more than generous and the burden should not be with the rest of the hard working residents who already cannot afford everyday items with the cost of living, and are forced to pay the eye watering council tax as it is
- Less paperwork and keep everything in one envelope to save postage cost and environmental wastage to a minimum
- Limit/link support to Council Tax Band E & below
- Make it easily accessible by automatically applying it after getting info from HMRC re earnings
- Making it automatic rather than long forms
- Most other authorities are going to banded schemes, which are easier to understand, cheaper to administer, and fits better with universal credit. Why not do the same?
- Pensioners income net of income tax and the level of what it takes to live
- People don't have incentive to work if you take away priority bills
- People should have to pay like everyone else
- Please don't raise council tax for those of us ineligible for a rate reduction in order to offset the money coming in. We haven't had any kind of support for the cost of living crisis (apart from the one off £400 energy payment) when we are just as impacted. We just so happen to be band E but our house is by no means large and we are not wealthy and have very minimal savings! Also had a baby this year and being on maternity leave I've really felt the pinch. Thank you
- Please don't waste taxpayers money by trying to bill, and then recover CT from people who have no money in the first place. Don't blame the poor for their poverty. You only get diminishing returns from trying to levy CT against people on maximum CT benefit. Set the minimum CT charge to 0.00 per week and stop wasting money!!!! Thanks
- Please remember that those on benefits can be better off than middle-classes who end up paying for everything and don't qualify for help or the cost of living payment
- Reduce it
- Reduce the charges for normal payers. Because you reduced your service of bins as bi-weekly - alternate weeks domestic waste and recycling. And the roads are full of gutters. Normally we are paying more than a thousand pounds a year. We are not getting the value of our money in terms of service. No use wasting money on fireworks in summer. Use it for some creative purposes

- Reduce the fee for everyone, the services you provide are rubbish, staff are rude and the roads, pavements etc are an utter disgrace..
- Second home discount should be scrapped
- The income of ALL occupants should be considered. Too many claim benefits but have other working adults living in the house
- The income of people should be taken into consideration more. Just because somebody works full time they may still be on a low income
- There are so many people who should be paying council tax as they are hiding savings or come from families who generation after generation choose not to work and claim benefits. If you can run a car , have an iPhone, smoke you can afford to pay some Council tax!
- There is a difference between working and non-working, retired people. But still based on individual Income to get relevant amounts due etc.
- Threshold for low income residents
- To remove Rundles as the bailiff for the councils. They are a terrible company and make people's lives a misery with their rude, unsupportive, bullying tactics. More help put in place to help people holistically
- We're all tight for money, why should someone who's already getting benefits which workers pay for get further reductions. Fine for pensioners or those working but on low income but not those just receiving benefits already
- Widening the availability of the Discretionary Council Tax Payment scheme
- Yes
- Your council tax support shouldn't be affected if you've been awarded Limited Capacity for Work and Work Related Activity

Map of the respondents' postcode



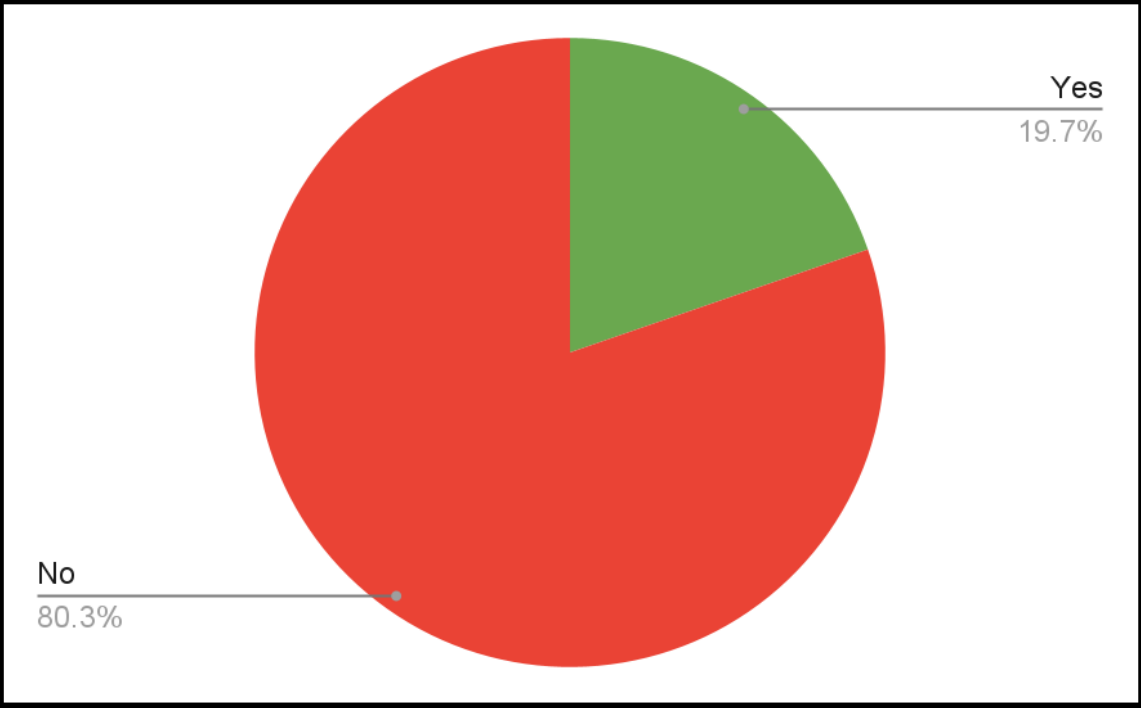
How old are you?



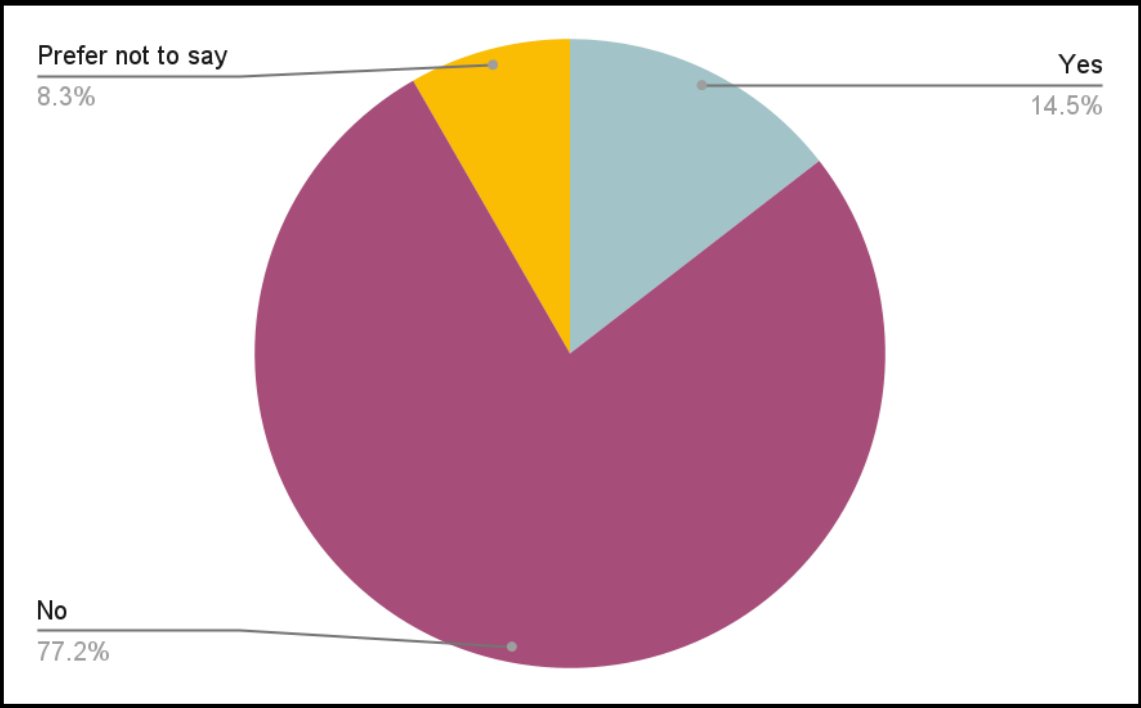
Do you

- Live in Worthing = 181
- Work in Worthing = 60
- Run a business in Worthing = 8

Do you currently receive Council Tax Support?



Are you disabled?



Appendix B - 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.