

Report to Cabinet

Thursday, 25 January 2024

By the Cabinet Member for Finance and Resources

DECISION REQUIRED



**Horsham
District
Council**

Not Exempt

2024/25 Council Tax Reduction Scheme and Housing Benefit Modified Scheme

Executive Summary

The Council Tax Reduction Scheme decides which working age residents the Council will help with paying their Council Tax. The policy also decides how much each group of residents should be helped. Each year, Cabinet reviews the policy and sets a new policy for the following financial year.

This report provides Cabinet with an overview of Horsham's current Council Tax Reduction scheme, along with a recommendation that no changes are made to the scheme for 2024/25. It also requests approval for continuing without change, the modified scheme for the voluntary disregard of war disablement pensions and war widow pensions in Housing Benefit claims.

Recommendations

That the Cabinet is recommended to refer to Council for approval:

- i) The adoption, with no changes, of the existing Council Tax Reduction scheme for 2024/25
- ii) The adoption of, with no changes to, the existing modified schemes under Housing Benefit subsidy for 2024/25 whereby the Council locally and voluntarily disregards war disablement pensions or war widow pensions in the housing benefit calculation.

Reasons for Recommendations

- i) & ii) The Council Tax Reduction and locally modified schemes are annual schemes requiring an annual review and approval, even when no changes to the scheme are being proposed. Review work on the scheme showed the schemes remains affordable for Horsham District Council and provides a good level of support to our less well-off residents.

Background Papers: none

Wards affected: All

Contact: Beccy Salmon, Revenues and Benefits Operations Manager (Horsham)
beccy.salmon@horsham.gov.uk
Dominic Bradley, Director of Resources, dominic.bradley@horsham.gov.uk

Background Information

1 Introduction and background

- 1.1 Horsham District Council has a Council Tax Reduction scheme, which provides financial support for people on low incomes to help them afford their Council Tax payments. This scheme is reviewed and authorised annually by both Cabinet and Council, even when no changes are proposed to the scheme.
- 1.2 Horsham District Council also has a local modified scheme which disregards war disablement pension and war widow pension from the housing benefit calculation. This scheme should also be reviewed annually.

2 Relevant Council policy

- 2.1 The design and funding of the Council Tax Reduction and modified schemes form part of supporting people and communities as detailed in the Council Plan.

3 Details

- 3.1 Horsham's Council Tax Reduction scheme currently provides financial support for residents on low incomes and provides a means-tested discount to reduce their Council Tax payments.
- 3.2 The scheme ensures that the following protected groups are subject only to the means-test calculation when their Council Tax Reduction discount is awarded:
 - Pensioner household
 - Lone parents with a child under 5
 - Households where the means-test attracts an additional premium in their applicable amount due to disability or caring responsibilities
 - Households where the customer is in receipt of War Widows Pension
- 3.3 Any customer who does not fall into one of the protected groups will not be entitled to a discount if their capital exceeds £10,000 and will also have their discount:
 - reduced by 10%
 - restricted to a Band D equivalent liability amount
- 3.4 This scheme continues to provide the best support for residents on low income, whilst adding further protection to the most vulnerable within the Horsham District. The existing scheme has been in place since April 2013 and continues to provide a familiar source of financial support to Council Taxpayers. The recommendation of this report is that the above scheme remains unchanged.
- 3.5 The local modified scheme disregards war disablement pension and war widow pension in full, from the means-tested calculation, whereas the national scheme only disregards 10%. This ensures a more generous award of Housing Benefit and Council Tax Reduction for customers in receipt of these benefits, within the Horsham district. The recommendation of this report is that the scheme remains unchanged.

4 Next steps

- 4.1 This proposal report is submitted to Council for approval.

5 Views of the Policy Development Advisory Group and outcome of consultations

- 5.1 This proposal was presented to the Finance & Resources PDAG on 10 July 2023. The Councillors agreed that the schemes remained affordable for the Council and were necessary to help the Council's less well-off residents.
- 5.2 West Sussex County Council and Sussex Police and Crime Commissioner have indicated they are not in favour of increasing the amount of cost for the Council Tax Reduction scheme due to the significant budget pressures they are facing. Their share of the cost of the scheme is proportionately higher than the Council's share. No public consultation, therefore, took place.
- 5.3 The Monitoring Officer and the Director of Resources have been consulted to ensure legal and financial probity and their comments have been incorporated into the report.

6 Other courses of action considered but rejected

- 6.1 Horsham District Council has the authority to reduce the amount of financial support awarded through this scheme. However, this course of action was rejected because of the need to continue to support the financially vulnerable.
- 6.2 Horsham District Council has the authority to increase the amount of financial support awarded through this scheme. However, this course of action was rejected, in part due to the significant budget pressures at other public body preceptors.

7 Resource consequences

- 7.1 There will be no additional resource consequences for Horsham District Council if it decides to continue to adopt its current levels of support through the Council Tax Reduction and modified schemes.
- 7.2 The cost of the Council Tax Reduction scheme varies with the number of applicants and is directly related to rises and falls in the local economy. Numbers on Council Tax Support usually increase during a recession.

8 Legal considerations and implications

- 8.1 Section 13 A of the Local Government Finance Act 1992 ("the Act") provides that each billing authority in England must make a scheme specifying the reductions which are to apply to amounts of council tax payable, in respect of dwellings situated in its area, by—
- (a) persons whom the authority considers to be in financial need, or
 - (b) persons in classes consisting of persons whom the authority considers to be, in general, in financial need.

- 8.2 Paragraph 5 of Schedule 1A to the Act, provides that each financial year, each billing authority must consider whether to revise its scheme or to replace it with another scheme.
- 8.3 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.
- 8.4 Paragraph 3 of Schedule 1A of the Act provides that 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.
- 8.5 Sections 134(8)(a) and 139(6)(a) of the Social Security Administration Act 1992 allow local authorities administering schemes for housing benefit and council tax benefit to modify those schemes to disregard prescribed war disablement pensions and war widow's pensions.

9 Risk assessment

- 9.1 There are no changes to the Council's risk profile in choosing to leave the scheme unaltered. However, the Council continues to carry a risk of the cost of the scheme increasing if the economic situation in Horsham District gets worse.

10 Procurement implications

- 10.1 There are no procurement implications stemming from this report.

11. Equalities and Human Rights implications / Public Sector Equality Duty

- 11.1 With no changes proposed to the current Council Tax Reduction scheme there is no change to the implication on equalities or human rights.

12 Environmental implications

- 12.1 There are no environmental implications arising from this report.

13 Other considerations

- 13.1 The application of the Council Tax Reduction Scheme includes sensitive personal data; however, this decision has no implications on the application of the scheme. There are no implications for crime and disorder.