



Northumberland

County Council

CABINET

11 OCTOBER 2022

APPROVAL OF THE COUNCIL TAX SUPPORT SCHEME FOR 2023-24

Report of Jan Willis, Interim Executive Director of Finance and Section 151 Officer

Cabinet Member: Councillor Richard Wearmouth – Deputy Leader and Portfolio Holder for Corporate Services

Purpose of report

The purpose of this report is to seek approval for the local Council Tax Support Scheme for 2023-24 to continue to provide support at a maximum level of 92% of council tax liability.

Recommendation

Cabinet to recommend County Council to approve the Council Tax Support Scheme attached as Appendix 1 to be adopted as the Council's local scheme for 2023-24.

Link to Corporate Plan

The Council Tax Support Scheme is relevant to the 'we want to be efficient, open and work for everyone' priority in the Corporate Plan by ensuring financial prudence whilst listening to and considering the views of consultees.

Key issues

1. A local Council Tax Support Scheme for pensioners and working age claimants needs to be agreed by 31 January 2023.
2. The pensioner element of the Scheme is prescribed and continues to support the pensioner element of the caseload, up to a maximum of 100% of their council tax liability.
3. The working age element of the Scheme is for each Council to decide annually.
4. The Council Tax Scheme for 2022-23 had a maximum level of support for working age claimants of 92%. This means that all working age claimants pay a minimum of 8% of their property's council tax charge.
5. The cost of the Council Tax Support Scheme for 2022-23 is forecast to be £25,756,617. Any cost arising from a more generous working age support scheme would need to be funded from the Council's revenue budget.

6. As part of the Government's response to the COVID- 19 pandemic new funding was provided to the Council to assist economically vulnerable people and households. The strong expectation from Government was that the funding was used to provide all working age council tax support recipients with £150 for 2020-21, £300 in 2021-22 and a further reduction in their annual council tax liability for 2022-23 of £200. This was applied to all council tax support claimants in 2022-23 and used to fund new claimants coming onto the scheme. As a result, 11,604 claimants had no council tax liability for 2022-23 and 3,390 claimants had their liability reduced by £200.
7. The cost of the scheme will vary during the financial year and is dependent upon the number of claimants and their individual and family circumstances and also, on the level of council tax that is set for 2023-24.
8. The proposal for the local scheme for 2023-24 is to continue with the 2022-23 scheme unchanged. That is, the maximum level of support for working age claimants will be 92%. The proposed local scheme is attached as Appendix 1 to this report.
9. No consultation is required for the proposed 2023-24 scheme as there are no changes being made.
10. The Council Tax Support Scheme has an impact on the council tax, tax base calculation and that report is due for approval by Cabinet (who have delegated powers to approve it) on 13 December 2021.
11. The figures set out in Appendix 1 that apply for allowances, premiums and non-dependant deductions are amended annually in-line with up-ratings notified by the Department for Work & Pensions and Department for Levelling Up, Housing and Communities and will be amended in the 2023-24 scheme when they are available later in the financial year.

Background

12. With effect from 1 April 2013 each local authority has been required to have its own local Council Tax Support Scheme for pensioner and working age claimants on low incomes. Prior to 2013 assistance for council tax liability was provided via a national council tax benefit scheme.
13. For the period 1 April 2013 to 31 March 2019 the annual Council Tax Support Scheme for Northumberland maintained the support offered by the previous national Council Tax Benefit Scheme. That scheme had supported both pensioner and working age claimants up to a maximum of 100% council tax support.
14. Once a Council's local scheme has been established any amendments or changes to the scheme for subsequent years require statutory consultation.
15. Prior to the 2019-20 scheme being approved, which saw the first reduction in the level of support for working age claimants from 100% to 92%, a comprehensive

consultation exercise was carried out covering the period 24 September to 2 November 2018.

16. The Council Tax Support caseload is currently 24,894 claimants. This is made up of 9,900 who are of pensioner age and 14,994 who are working age.
17. Of the 12 North East Local Authorities only Durham has a more generous council tax support scheme in place as they have continued to support working age claimants up to 100%. South Tyneside have the lowest level of support in the region with a 70% maximum level of support (although this does support their vulnerable claimants up to 85%). The following table illustrates the current (2022-23) support schemes being administered by the 12 North East Authorities:

Local Authority	Minimum Payment	Maximum Support level
Durham	0%	100%
Darlington	20%	80%
Gateshead	8.5%	91.5%
Hartlepool	12%	88%
Middlesbrough	10%	90%
Newcastle	Have an income banded scheme with varying levels of support from 100% to 25%	100% with reducing levels down to 25%
North Tyneside	15%	85%
Northumberland	8%	92%
Redcar and Cleveland	17.50%	82.5%
South Tyneside	30% or 15% if vulnerable	70% or 85% if vulnerable
Stockton	20%	80%
Sunderland	8.50%	91.5%

18. The Council has powers under the Council Tax Discount Policy to reduce the amount of council tax payable under Section 13A (1)(c) of the Local Government Finance Act 2012. This discretion can be exercised in particular cases, or, by determining a class of cases and can reduce the council tax liability to nil.

Implications

Policy	The Council Tax Support Scheme for 2023-24 needs to be approved by full County Council by 31 January 2023. The scheme contributes to the 'we want to be efficient, open and work for everyone' priority in the Corporate Plan 2020-21 by
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	ensuring financial prudence whilst listening to and considering the views of consultees. .
Finance and value for money	The Council Tax Support Scheme governs the level of financial support provided to claimants on low incomes to assist them in meeting their council tax obligations. Council Tax contributes towards the cost of funding all Council services.
Legal	The requirement to have a Council Tax Support Scheme is governed by legislation. A local scheme needs to be approved by 31 January in the year preceding its implementation. Statutory consultation is required where there are proposed changes to an existing scheme. No consultation is required as there are no changes in the proposed scheme.
Procurement	No implications
Human Resources	No implications
Property	No implications
Equalities (Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	An Equality Impact Assessment was carried out for the changes that were made for the Council Tax Support Scheme for 2019-20. No further changes are proposed for the 2022-23 scheme and as a result no further equality impact assessment is required to be carried out.
Risk Assessment	Collecting council tax from working age claimants is difficult. Payment over 12 months will be encouraged for working age claimants in order to assist with the charge and minimise monthly payments during the financial year.
Crime & Disorder	No implications
Customer Consideration	The Council currently has 24,894 claimants receiving council tax support. Of these 14,994 are of working age and their level of support will remain the same under this proposal although the actual amount of council tax payable will increase.
Carbon reduction	No implications
Wards	All wards are affected by this proposal

Background papers:

County Council Meeting on 3 November 2021
County Council Minutes from 3 November 2021
NCC Council Tax Support Scheme 2022-23

Report sign off.

Authors must ensure that officers and members have agreed the content of the report:

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