



Northumberland

County Council

COUNTY COUNCIL

22 February 2023

Council Tax Discretionary Discount and Council Tax Support Hardship Schemes 2023-24

Report of Councillor Richard Wearmouth – Deputy Leader and Portfolio Holder for Corporate Services

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

1. Purpose of Report

1.1 The purpose of this report is to propose that Members implement:

- a) a one-off discount equivalent to a 1.00% reduction in Band D council tax (Northumberland County Council element of council tax only) for households that do not receive Council Tax Support (subject to a number of exclusions shown at paragraph 4.9). The discount will be equivalent to £17.21 in 2023-24 and will be applied to council tax bills once all other discounts have been applied.
- b) a Council Tax Support Hardship Scheme for 2023-24 where a reduction of up to £175 will be made to council tax bills for all working age Council Tax Support claimants; and those pensionable age Council Tax Support claimants that do not receive 100.00% Council Tax Support, once all other discounts have been applied
- c) These reductions to the council tax bills will be made in order to alleviate financial hardship and cushion the impact of the Government's recommended 2.99% council tax increase.
- d) The discount and hardship payments will be funded from the surplus remaining in the Collection Fund Smoothing Reserve which the Council was required to set aside as a result of the Covid-19 pandemic. It is proposed that a reserve entitled Council Tax Support Hardship and

Discretionary Discount Schemes Reserve is created to cover the cost of these schemes.

2. Recommendations

- 2.1 Members are requested to agree a Council Tax Support Hardship Scheme, where a reduction of up to £175 is made to council tax bills for all working age Council Tax Support claimants, once all other discounts have been applied. The cost of this scheme will be £2.633 million.
- 2.2 Members are requested to agree a Council Tax Support Hardship Scheme, where a reduction of up to £175 is made to council tax bills for all pensionable age Council Tax Support claimants, once all other discounts have been applied. The cost of this scheme will be £0.551 million.
- 2.3 Members are requested to agree that a local discretionary discount equivalent to 1.00% of the proposed Band D council tax for 2023-24 (Northumberland County Council, council tax element) is applied to council tax bills in 2023-24 (only), following the application of all other discounts, for all households not in receipt of Council Tax Support; and excluding the exemptions shown in paragraph 4.9. The discount equates to £17.21 per household. The cost of this scheme will be £2.140 million.
- 2.4 Members are requested to agree to transfer the balance of £6.588 million from the Collection Fund Smoothing Reserve in financial year 2022-23 to a reserve entitled Council Tax Support Hardship and Discretionary Discount Schemes Reserve to cover the cost of these schemes.
- 2.5 Members are requested to agree to fund the proposed Council Tax Support Hardship Schemes described in 2.1 and 2.2 above, up to a maximum of £3.184 million from the Council Tax Support Hardship and Discretionary Discount Schemes Reserve for 2023-24.
- 2.6 Members are requested to agree to fund the proposed Local Discretionary Discount as described in 2.3 above, up to a maximum of £2.140 million from the Council Tax Support Hardship and Discretionary Discount Schemes Reserve for 2023-24.
- 2.7 Members are requested to agree that once the above-mentioned allocations are exhausted that no further Hardship Scheme or Local Discretionary Discount payments are made in 2023-24.
- 2.8 Members are requested to agree that the appropriate expenditure and income budgets are created in the financial year 2023-24 in line with the agreed recommendations in 2.1 to 2.6.

3. Link to Corporate Plan

- 3.1 The Council's budget is aligned to the priorities outlined in the Corporate Plan 2021-24 "A Council that Works for Everyone".

4. Key issues

- 4.1 The Council is mindful of the current cost of living crisis that the residents of Northumberland are facing, as well as the significant inflationary pressures that the local authority is also experiencing.
- 4.2 There is an assumption in the Government's allocation of resources to the Council for 2023-24, that the Council will increase council tax by 3.00% and implement an adult social care levy increase of 2.00% for financial year 2023-24.
- 4.3 Whilst the Council is recommending these increases to Members, it is proposing to alleviate the financial pressure on all households in Northumberland by implementing Hardship Schemes for all working age Council Tax Support claimants and pensionable age Council Tax Support claimants; and a Local Discretionary Discount Scheme for the remaining Council Tax paying households. There will be exclusions for the Local Discretionary Discount Scheme, and they are described in paragraph 4.9 below.
- 4.4 The Hardship Scheme payment of up to £175 will be applied to the council tax bills of working age Council Tax Support claimants after all other discounts and after the Government's mandatory Council Tax Support Fund scheme of £25 which will reduce the bills of all Council Tax Support claimants.
- 4.5 There are currently 24,893 Council Tax Support claimants of which 15,044 are working age claimants who would receive this support. The maximum cost to the Council will therefore be £2.633 million.
- 4.6 The examples shown at Appendix A illustrate how this Hardship Scheme payment will affect the bills of working age Council Tax Support claimants (there is also an illustration for bands A, D and H comparing 2022-23 and 2023-24).
- 4.7 It is estimated that there are 5,870 pensionable age Council Tax Support claimants who will have no council tax liability in 2023-24. However, there are currently 3,704 Council Tax Support claimants of pensionable age who after all other discounts (Council Tax Support and the Government Hardship Payment of £25) will have a residual amount of council tax to pay in 2023-24. It is proposed that they too receive a Hardship Scheme payment of up to £175. Based on the current year's remaining liability for this cohort of residents, the maximum cost to the Council for this element of the Hardship Scheme is estimated to be £0.551 million.

4.8 There are 159,059 properties in Northumberland that attract council tax with 24,893 in receipt of Council Tax Support. Included in that number is also 3,537 second homes, 3,725 empty properties and 2,622 properties that qualify for 100.00% exemption from council tax. Therefore, 124,282 households that do not receive council tax support and are not excluded from this discount (see paragraph 4.9) will receive a discount to their council tax bill of £17.21 at a total cost of approximately £2.140 million.

4.9 The discount of £17.21 will be applied to the bills of all households that are not in receipt of Council Tax Support and not excluded, on 1 April 2023 only. Exclusions will apply as follows:

- a) Residents will not receive another discount should they move house during the financial year 2023-24.
- b) Anyone moving into Northumberland after 1 April will not receive the discount.
- c) Owners of properties classified as empty properties on the council tax register will not receive the discount. There are currently 3,728 empty properties registered with the Council.
- d) Owners of properties classified as second homes on the council tax register will not receive the discount. There are currently 3,537 second home registered with the Council.
- e) Exempt properties - the following list is an example of exempt properties under council tax legislation, but is not exhaustive:
 - properties occupied only by students,
 - properties where residents are in care,
 - properties where residents are in prison,
 - properties where the resident is severely mentally impaired,
 - properties occupied by armed forces personnel,
 - properties where the mortgagee is in possession of the property,
 - properties left empty when the resident is deceased and probate has not been granted,
 - properties where occupation is prohibited by law,
 - properties occupied by residents who are severely mentally impaired.

There are currently 2,622 exempt properties registered with the Council.

- f) Households in receipt of Council Tax Support will not receive the discount, they will instead receive the Hardship Scheme payment which is of greater value.

4.10 The examples shown at Appendix B illustrate how the Local Discretionary Discount scheme will affect the council tax bills of non-Council Tax Support claimants.

IMPLICATIONS ARISING OUT OF THE REPORT

- Policy:** The report supports all of the priorities outlined in the Corporate Plan 2021-24 “A Council that Works for Everyone”.
- Finance and value for money:** The report recommends that a Hardship Scheme is introduced for financial year 2023-24 and that a payment of up to £175 is allocated to all council tax bills for working age council tax support claimants (after all other discounts have been applied). The maximum cost of this will be £2.633 million.
- The report recommends that a Hardship Scheme is introduced for those Council Tax Support claimants of pensionable age that have a residual council tax liability in 2023-24. The maximum cost of this is estimated to be £0.551 million.
- This report also recommends that the Northumberland County Council, council tax element of all council tax bills is discounted by £17.21 in 2023-24 (after all other discounts have been applied). The cost of this will be a maximum of £2.140 million.
- All schemes will be funded from the surplus in the Collection Fund Smoothing Reserve which will be transferred to a reserve entitled “Council Tax Support Hardship and Discretionary Discount Schemes Reserve”.
- Legal:** The Council has approved a number of revenues and benefits policies including the Council Tax Discounts Policy which makes provision for these one-off proposals for 2023-24. The proposals are possible under Section 13A 1(c) of the Local Government Finance Act 1992.
- Human Resources:** There are no human resources implications within this report.
- Property:** There are no property implications within this report.
- Equalities:** Households paying council tax in Northumberland on 1 April 2023 will benefit from these proposals.

(Impact Assessment attached)

N/A X

Risk Assessment:	There are no risks associated with this proposal.
Carbon Reduction:	There are no carbon reduction implications within this report.
Crime & Disorder:	There are no crime and disorder implications within this report.
Customer Considerations:	Households paying council tax in Northumberland on 1 April 2023 will benefit from these proposals.
Consultation:	Council Members.
Health & Wellbeing	The Council's budget is founded on the principle of promoting inclusivity. The financial wellbeing of resident council taxpayers will be improved as a result of the implementation of these proposals.
Wards:	All wards in Northumberland are affected by this proposal.

BACKGROUND PAPERS:

Date	Report to	Report
2 November 2022	Full Council	Approval of the Council Tax Support Scheme for 2023-24
13 December 2022	Cabinet	Setting of the Council Tax Base 2023-24
22 February 2023	Council	Budget 2023-24 and Medium-Term Financial Plan 2023-27
22 February 2023	Council	Council Tax 2023-24

Report sign off

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

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Section 151 Officer	Jan Willis
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	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£ : p	£ : p	£ : p	£ : p	£ : p	£ : p	£ : p	£ : p
NCC Council Tax	1,147.33	1,338.56	1,529.78	1,721.00	2,103.44	2,485.89	2,868.33	3,442.00
Adult Social Care Precept	176.20	205.57	234.93	264.30	323.03	381.77	440.50	528.60
Gross Amount Due	1,323.53	1,544.13	1,764.71	1,985.30	2,426.47	2,867.66	3,308.83	3,970.60
Council Tax Support @ 92%	(1,217.65)	(1,420.60)	(1,623.53)	(1,826.48)	(2,232.35)	(2,638.25)	(3,044.12)	(3,652.95)
Sub total	105.88	123.53	141.18	158.82	194.12	229.41	264.71	317.65
Government Hardship Payment	(25.00)	(25.00)	(25.00)	(25.00)	(25.00)	(25.00)	(25.00)	(25.00)
NCC Hardship Payment	(80.88)	(98.53)	(116.18)	(133.82)	(169.12)	(175.00)	(175.00)	(175.00)
Council Tax to Pay (annual)	Nil	Nil	Nil	Nil	Nil	29.41	64.71	117.65
Number of properties	20,104	2,675	1,216	542	221	102	30	3
Number of properties (working age council tax support claimants)	12,646	1,369	580	247	125	61	14	2

Note: These figures do not include the precepts for Northumbria Police Authority or the parish and town councils. They assume that working age council tax claimant households receive the full 92% council tax support. They do not assume that the household receives any other discounts. If the household does receive other discounts (e.g. single person's discount) then those discounts would be applied before the Hardship Scheme Payment.

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£ : p	£ : p	£ : p	£ : p	£ : p	£ : p	£ : p	£ : p
NCC Council Tax	1,147.33	1,338.56	1,529.78	1,721.00	2,103.44	2,485.89	2,868.33	3,442.00
Adult Social Care Precept	176.20	205.57	234.93	264.30	323.03	381.77	440.50	528.60
Northumbria Police Authority Precept (2022-23 value)	102.56	119.65	136.75	153.84	188.03	222.21	256.40	307.68
Highest Parish Precept (2022-23 value) - Blyth Town Council	86.79	101.26	115.72	130.19	159.12	188.05	216.98	260.38
Gross Amount Due	1,512.88	1,765.04	2,017.18	2,269.33	2,773.62	3,277.92	3,782.21	4,538.66
Council Tax Support @ 92%	(1,391.85)	(1,623.84)	(1,855.81)	(2,087.78)	(2,551.73)	(3,015.69)	(3,479.63)	(4,175.57)
Sub total	121.03	141.20	161.37	181.55	221.89	262.23	302.58	363.09
Government Hardship Payment	(25.00)	(25.00)	(25.00)	(25.00)	(25.00)	(25.00)	(25.00)	(25.00)
NCC Hardship Payment	(96.03)	(116.20)	(136.37)	(156.55)	(175.00)	(175.00)	(175.00)	(175.00)
Council Tax to Pay (annual)	Nil	Nil	Nil	Nil	21.89	62.23	102.58	163.09

Note: For illustration purposes these figures include the 2022-23 precept for Northumbria Police Authority and the highest cost precept for a Town Council in 2022-23 (Blyth Town Council). Both precepts are likely to change for 2023-24. They assume that working age council tax claimant households receive the full 92% council tax support. They do not assume that the household receives any other discounts. If the household does receive other discounts (e.g. single person's discount) then those discounts would be applied before the Hardship Scheme Payment.

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£ : p	£ : p	£ : p	£ : p	£ : p	£ : p	£ : p	£ : p
NCC Council Tax	1,147.33	1,338.56	1,529.78	1,721.00	2,103.44	2,485.89	2,868.33	3,442.00
Adult Social Care Precept	176.20	205.57	234.93	264.30	323.03	381.77	440.50	528.60
Northumbria Police Authority Precept (2022-23 value)	102.56	119.65	136.75	153.84	188.03	222.21	256.40	307.68
Lowest Parish Precept (2022-23 value) - Doddington Parish Council	3.65	4.26	4.87	5.48	6.70	7.92	9.13	10.96
Gross Amount Due	1,429.74	1,668.04	1,906.33	2,144.62	2,621.20	3,097.79	3,574.36	4,289.24
Council Tax Support @ 92%	(1,315.36)	(1,534.60)	(1,753.82)	(1,973.05)	(2,411.50)	(2,849.97)	(3,288.41)	(3,946.10)
Sub total	114.38	133.44	152.51	171.57	209.70	247.82	285.95	343.14
Government Hardship Payment	(25.00)	(25.00)	(25.00)	(25.00)	(25.00)	(25.00)	(25.00)	(25.00)
NCC Hardship Payment	(89.38)	(108.44)	(127.51)	(146.57)	(175.00)	(175.00)	(175.00)	(175.00)
Council Tax to Pay (annual)	Nil	Nil	Nil	Nil	9.70	47.82	85.95	143.14

NOTE: For illustration purposes these figures include the 2022-23 precept for Northumbria Police Authority and the lowest cost precept for a Parish Council in 2022-23 (Doddington Parish Council). Both precepts are likely to change for 2023-24. They assume that working age council tax claimant households receive the full 92% council tax support. They do not assume that the household receives any other discounts. If the household does receive other discounts (e.g. single person's discount) then those discounts would be applied before the Hardship Scheme Payment.

Examples of the council tax charges for working age claimants for 2023-24 compared to 2022-23

Appendix A

Based on highest parish precept in 2022-23	Band A				Band D				Band H			
	2023-24	2022-23	Annual Increase	Weekly Increase	2023-24	2022-23	Annual Increase	Weekly Increase	2023-24	2022-23	Annual Increase	Weekly Increase
	£ : p	£ : p	£ : p	£ : p	£ : p	£ : p	£ : p	£ : p	£ : p	£ : p	£ : p	£ : p
NCC Council Tax	1,147.33	1,114.03	33.30	0.64	1,721.00	1,671.04	49.96	0.96	3,442.00	3,342.08	99.92	1.92
Adult Social Care Precept	176.20	150.90	25.30	0.49	264.30	226.35	37.95	0.73	528.60	452.70	75.90	1.46
Northumbria Police Authority Precept	102.56	102.56	-	-	153.84	153.84	-	-	307.68	307.68	-	-
Blyth Town Council Precept	86.79	86.79	-	-	130.19	130.19	-	-	260.38	260.38	-	-
Gross Amount Due	1,512.88	1,454.28	58.60	1.13	2,269.33	2,181.42	87.91	1.69	4,538.66	4,362.84	175.82	3.38
Council Tax Support @ 92%	(1,391.85)	(1,337.94)	(53.91)	(1.04)	(2,087.78)	(2,006.91)	(80.87)	(1.56)	(4,175.57)	(4,013.81)	(161.74)	(3.11)
Sub Total	121.03	116.34	4.69	0.09	181.55	174.51	7.04	0.14	363.09	349.03	14.08	0.27
Government Hardship Payment	(25.00)	-	(25.00)	(0.48)	(25.00)	-	(25.00)	(0.48)	(25.00)	-	(25.00)	(0.48)
NCC Hardship Payment	(96.03)	(116.34)	20.31	0.39	(156.55)	(174.51)	17.96	0.35	(175.00)	(200.00)	25.00	0.48
Council Tax to Pay	0.00	0.00	(0.00)	(0.00)	(0.00)	0.00	0.00	0.00	163.09	149.03	14.08	0.27

For illustration purposes these figures include the 2022-23 precept for Northumbria Police Authority and the highest cost precept for a Town Council in 2022-23 (Blyth Town Council). Both precepts are likely to change for 2023-24. They assume that working age council tax claimant households receive the full 92% council tax support. They do not assume that the household receives any other discounts. If the household does receive other discounts (e.g. single person's discount) then those discounts would be applied before the NCC Hardship Scheme Payment.

2022-23 figures used. These figures are likely to change for 2023-24

Example of the council tax charges for all other households (not including Council Tax Support households and scheme exclusions) for 2023-24

Appendix B

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£ : p	£ : p	£ : p	£ : p	£ : p	£ : p	£ : p	£ : p
NCC Council Tax	1,147.33	1,338.56	1,529.78	1,721.00	2,103.44	2,485.89	2,868.33	3,442.00
Adult Social Care Precept	176.20	205.57	234.93	264.30	323.03	381.77	440.50	528.60
Gross Amount Due	1,323.53	1,544.13	1,764.71	1,985.30	2,426.47	2,867.66	3,308.83	3,970.60
NCC Local Discretionary Discount	(17.21)	(17.21)	(17.21)	(17.21)	(17.21)	(17.21)	(17.21)	(17.21)
Council Tax to Pay (annual)	1,306.32	1,526.92	1,747.50	1,968.09	2,409.26	2,850.45	3,291.62	3,935.39
Council Tax element reduction	1.50%	1.29%	1.12%	1.00%	0.82%	0.69%	0.60%	0.50%
Number of properties	65,495	24,029	19,639	16,807	10,997	6,940	4,261	503

Note: These figures do not include the precepts for Northumbria Police Authority or the parish and town councils. They do not assume that the household receives any other discounts. If the household does receive other discounts (e.g. single person's discount) then those discounts would be applied before the Local Discretionary Discount.

Example of the council tax charges for all other households (not including Council Tax Support households and scheme exclusions) for 2023-24

Appendix B

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Gross Amount Due	1,512.88	1,765.04	2,017.18	2,269.33	2,773.62	3,277.92	3,782.21	4,538.66
NCC Local Discretionary Discount	(17.21)	(17.21)	(17.21)	(17.21)	(17.21)	(17.21)	(17.21)	(17.21)
Council Tax to Pay (annual)	1,495.67	1,747.83	1,999.97	2,252.12	2,756.41	3,260.71	3,765.00	4,521.45
Council Tax element reduction	1.50%	1.29%	1.12%	1.00%	0.82%	0.69%	0.60%	0.50%

Note: For illustration purposes these figures include the 2022-23 precept for Northumbria Police Authority and the highest cost precept for a Town Council in 2022-23 (Blyth Town Council). Both precepts are likely to change for 2023-24. They do not assume that the household receives any other discounts. If the household does receive other discounts (e.g. single person's discount) then those discounts would be applied before the Local Discretionary Discount.

Example of the council tax charges for all other households (not including Council Tax Support households and scheme exclusions) for 2023-24

Appendix B

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Lowest Parish Precept (2022-23 value) - Doddington Parish Council	3.65	4.26	4.87	5.48	6.70	7.92	9.13	10.96
Gross Amount Due	1,429.74	1,668.04	1,906.33	2,144.62	2,621.20	3,097.79	3,574.36	4,289.24
NCC Local Discretionary Discount	(17.21)	(17.21)	(17.21)	(17.21)	(17.21)	(17.21)	(17.21)	(17.21)
Council Tax to Pay (annual)	1,412.53	1,650.83	1,889.12	2,127.41	2,603.99	3,080.58	3,557.15	4,272.03
Council Tax element reduction	1.50%	1.29%	1.12%	1.00%	0.82%	0.69%	0.60%	0.50%

Note: For illustration purposes these figures include the 2022-23 precept for Northumbria Police Authority and the lowest cost precept for a Parish Council in 2022-23 (Doddington Parish Council). Both precepts are likely to change for 2023-24. They do not assume that the household receives any other discounts. If the household does receive other discounts (e.g. single person's discount) then those discounts would be applied before the Local Discretionary Discount.