



Northumberland County Council

Cabinet

Tuesday, 7 November 2023

Approval of the Council Tax Support Scheme 2024-25

Report of Councillor(s) Richard Wearmouth, Deputy Leader and Cabinet Member for Corporate Resources

Responsible Officer(s): Jan Willis, Executive Director for Resources & Transformation (S151)

1. **Link to Key Priorities of the Corporate Plan**

The Council Tax Support Scheme is relevant to the 'Achieving Value for Money' and "Tackling Inequalities" priorities in the Corporate Plan by ensuring financial prudence and providing residents with the building blocks of a good life.

2. **Purpose of report**

The purpose of this report is to seek approval for the local Council Tax Support Scheme for 2024-25 to continue to provide support at a maximum level of 92% of council tax liability.

3. **Recommendations**

- 3.1 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 2024-25.

4. **Forward plan date and reason for urgency if applicable**

The 2024-25 scheme needs to be urgently approved to allow the Council Tax Base to be set for 2024-25.

5. Background

- 5.1 A local Council Tax Support Scheme for pensioners and working age claimants needs to be agreed by 31 January 2024.
- 5.2 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.
- 5.3 The working age element of the Scheme is for each Council to decide annually.
- 5.4 The Council Tax Scheme for 2023-24 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.
- 5.5 The cost of the Council Tax Support Scheme for 2023-24 is forecast to be £26,762,637. Any cost arising from a more generous working age support scheme would need to be funded from the Council's revenue budget.
- 5.6 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, £200 in 2022-23 and a further reduction in their annual council tax liability for 2023-24 of £200 (£175 funded by the Council and £25 funded by Central Government). This was applied to all council tax support claimants in 2023-24 and used to fund new claimants coming onto the scheme. As a result, 12,801 claimants had no council tax liability for 2023-24 and 5,964 claimants had their liability reduced by £200.
- 5.7 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 on the level of council tax that is set for 2023-24.
- 5.8 The proposal for the local scheme for 2024-25 is to continue with the 2023-24 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.
- 5.9 No consultation is required for the proposed 2024-25 scheme as there are no changes being made.
- 5.10 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 10 October 23 and Full Council on 1 November 2023.
- 5.11 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 2024-25 scheme when they are available later in the financial year.

- 5.12 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.
- 5.13 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.
- 5.14 Once a Council's local scheme has been established any amendments or changes to the scheme for subsequent years require statutory consultation.
- 5.15 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.
- 5.16 The Council Tax Support caseload is currently 24,840 claimants. This is made up of 9,856 who are of pensioner age and 14,984 who are working age.
- 5.17 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 (2023-24) 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	Have an income banded scheme with varying levels of support from 90% to 23%	90% with reducing levels down to 23%
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	Have an income banded scheme with varying levels of support from 100% to 25%	100% with reducing levels down to 25%
Sunderland	8.50%	91.5%

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.

6. Options open to the Council and reasons for the recommendation.

- 6.1 A local Council Tax Support Scheme for pensioners and working age claimants needs to be agreed by 31 January 2024.
- 6.2 If not agreed the Council must approve an alternative scheme would require full consultation with all stakeholders
- 6.3 6.3 No consultation is required for the proposed 2024-25 scheme as there are no changes being made.

7. Implications

Policy	The Council Tax Support Scheme for 2024-25 needs to be approved by full County Council by 31 January 2024. The scheme contributes 'Achieving Value for Money' and "Tackling Inequalities" priorities in the Corporate Plan by ensuring financial prudence and providing residents with the building blocks of a good life
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	Section 13A of the Local Government Finance Act 1992 ("the 1992 Act") requires each billing authority in England to make a scheme specifying the reductions which are to apply to amounts of council tax payable by persons, or classes of person, whom the billing authority considers are in financial need. The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 ("the 2012 Regulations") prescribe matters which must be included in such a scheme in addition to those matters which must be included in such a scheme by virtue of paragraph 2 of

	Schedule 1A to the 1992 Act. 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
The Equalities Act: is a full impact assessment required and attached?	No - not required at this point 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 2024-25 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 and disorder	No implications
Customer considerations	The Council currently has 24,840 claimants receiving council tax support. Of these 14,984 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
Health and wellbeing	Providing residents with the building blocks of a good life by ensuring they are more financially secure
Wards	All wards are affected by this proposal

8. Background papers

County Council Meeting on 2 November 2022
County Council Minutes from 2 November 2022
NCC Council Tax Support Scheme 2023-24

9. Links to other key reports already published

N/A

10. Author and Contact Details

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