



Northumberland County Council

Council

21 February 2024

REVENUES AND BENEFITS POLICIES 2024-25

Report of Councillor(s) Councillor Richard Wearmouth, Deputy Leader and Portfolio Holder for Corporate Services.

Responsible Officer(s): Jan Willis, Executive Director Transformation and Resources

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

This report links to all three key priorities of the corporate plan. Achieving value for money, tackling inequalities and driving economic growth.

2. **Purpose of report**

The purpose of this report is to update Members on the policies governing the administration of Revenues and Benefits and seek approval for the updates and amendments highlighted.

3. **Recommendations**

3.1 County Council is recommended to:

- **Approve the Revenues and Benefits Policies attached as Appendix 1 to Appendix 6.**
- **Approve implementing the 100% Empty Homes Premium after one year from 1 April 2024**
- **Make a determination to implement a 100% premium for second homes to increase the council tax charge to 200% from 1 April 2025.**

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

09 January 2024.

5. Background

- 5.1 The Revenues and Benefits service has a suite of policies that govern the collection and enforcement administration of council tax, business rates, housing benefit and sundry debt income.
- 5.2 Some of the policies are regularly amended due to changing legislation, introduction of new legislation, relief schemes or the grating of additional discretions.
- 5.3 Sections 79 and 80 of The Levelling-Up and Regeneration Act 2023 relates to council tax and gives the Council additional discretion on the levels of council tax that billing authorities can charge on some classes of dwellings as detailed below.
- 5.4 Empty Homes Premium – the Levelling -Up and Regeneration Act 2023 gives discretion to allow the Council to implement an empty homes premium of 100% after one year instead of the current two.
- 5.5 Second Homes – currently second homes are charged 100% council tax. The Levelling-Up and Regeneration Act 2023 will allow the Council to charge up to an additional 100% on second homes. The definition of a second home under council tax legislation is a property where there is no resident of the dwelling and where it is substantially furnished.
- 5.6 Any decision made to implement an extra charge on second homes, needs to be made by way of a determination at least one year before the beginning of the financial year to which it relates (by 31 March 2024).
- 5.7 A summary of each revenues and benefits policy is provided below for information, and where there are proposed changes, details of the changes are highlighted.

Caravans and Chalets Policy (see Appendix 1)

This policy is in respect of caravans/chalets on commercially rated sites that are occupied as a sole or main residence for council tax purposes. Council tax is reduced by any business rates payable by the taxpayer on receipt of an itemised invoice. A Class G exemption (occupation prohibited by law) will be granted for a period when the site has to close due to planning/licensing restrictions.

There are no proposed amendments to this policy.

Council Tax Discount Policy (see Appendix 2)

This policy sets out the treatment of local discretionary discounts, empty property (including empty home premiums of 100%, 200% and 300%), uninhabitable property, second homes for council tax and care leavers.

The policy also includes the Government's COVID Hardship Fund payments for previous years.

The policy has been updated for 2024-25 as detailed below:

- A paragraph has been added detailing the legislation allowing an empty homes premium to be charged after one year to vacant properties.

- The new Empty Homes Premium has been added to the table of empty homes premium effective dates.
- A new council tax support hardship fund has been added for 2024-25. This fund will provide a payment of up to £100 to reduce the council tax liability for all working age and pensionable age council tax support claimants.
- The council tax discount for 2023-24 has been removed from the policy. This was for 2023-24 only and represented a reduction in council tax liability of £17.21 for households not in receipt of council tax support and who had their main residence in a property in Northumberland on 1 April 2023.
- The delegated decision on individual local discretionary discounts has been amended. From 1 April 2024 up to £5,000 will be delegated to the Senior Revenues Manager, between £5,001 and £10,000 will be delegated to the Senior Revenues Manager in conjunction with the Head of Transactional Services and over £10,001 will be delegated to the Director of Finance and Procurement (Deputy Section 151 Officer).

Corporate Debt Policy (See Appendix 3)

This policy details the Council's coordinated approach to the billing, collection and recovery of monies due to the Council for council tax; business rates; rent, housing benefit/council tax benefit and support overpayments, sundry debt for council services and overpaid salaries and wages. The policy consists of a number of separate annexes:

Annex 1	Council Tax and NNDR Recovery Policy – sets out the recovery action taken to recover unpaid liabilities. Minor wording amendments have been made to this annex.
Annex 2	Council Tax and NNDR Court Costs and Fees Policy – provides a uniform scale of costs at each recovery stage. No amendment has been made to this annex;
Annex 3	Housing and Council Tax Benefit/Support Overpayments Policy – sets out the policy for the administration and recovery of overpayments. No amendment has been made to this annex;
Annex 4	Methods of Payment Policy – sets out the range of payment methods available to customers. Minor amendments have been made to this annex;
Annex 5	Write Off Policy – sets out the framework for writing off debts. No amendment has been made to this annex;
Annex 6	Sundry Debt Policy – covering the recovery all collectable sundry debt. Minor wording amendments have been made to this annex;
Annex 7	Statutory and Chargeable Debt Policy – sets out the approach to debt arising from the Council carrying out its statutory duties/enforcement functions. No amendment has been made to this annex;

- Annex 8 **Overpaid Salaries and Wages Policy** - sets out the approach to the recovery of salary overpayments. No amendment has been made to this annex.
- Annex 9 **Bankruptcy Policy** - ensures that the Council's use of bankruptcy is consistent and complies with the relevant legislation and best practice. No amendment has been made to this annex;
- Annex 10 **Enforcement Agent Code of Practice for Council Tax and NNDR** – sets out the way that internal enforcement agents or external enforcement agent companies collecting local taxation debts on behalf of the Council will conduct themselves. Minor wording amendments have been made to this annex;
- Annex 11 **Housing Income Management Policy** – sets out the policy for the prevention of housing arrears, the rent arrears escalation procedure, recovery of former tenant arrears and write offs. Minor wording changes have been made to this annex;

The following minor amendments have been made to this policy:

Annex 1 – Council Tax and NNDR Recovery Policy - in point 6 of the annex an addition has been made to show that enforcement agents must be accredited by the Enforcement Conduct Board.

Annex 4 - Methods of Payment Policy – in paragraph 4, the ability to pay at Council customer service/information centres has been removed from the annex.

Annex 6 - Sundry Debt Policy - Paragraph 12.4 has been reworded to show that failure to provide the necessary information may result in the debt being written off rather than will result in.

Annex 10 – Enforcement Agent Code of Practice for Council Tax and National Non-Domestic Rates – Under the paragraph titled Professional standards a sentence has been added to state that any enforcement agent engaged by the Council must be accredited by the Enforcement Conduct Board.

These minor amendments do not make any changes to the actual policy intentions.

Discretionary Housing Payment Policy (See Appendix 4)

This policy sets out the Council's approach to operating its Discretionary Housing Payment scheme. The primary aims of the policy are to prevent homelessness, to alleviate housing need, and to ensure that Northumberland residents have fair and equal access to all services and monies to which they may be entitled by virtue of their situation.

Paragraph 42 of the policy has been amended to reflect a new job title.

Rate Relief Policy (See Appendix 5)

This policy applies to National, Non-Domestic Rates (Business Rates) and provides the framework under which mandatory and discretionary relief will be administered.

Rate Relief can be either mandatory, discretionary or both and is granted in accordance with the Local Government and Rating Act 1997 and the Local Government Finance Acts 1988 and 2012 (as amended).

The policy relates to awards concerning:

- Rural Rate Relief
- Charities and Not for Profit Organisations
- Hardship Relief
- Section 44A (relief on the grounds of part occupation)
- Supporting Small Business
- Business Rates Revaluation Relief
- Pub Relief:
- Newspaper Relief
- Retail Discount Scheme 2019-20
- Extension of the Nursery Discount Scheme for 2021-22
- Expanded Retail Discount Scheme 2020-21
- Nursery Relief Scheme 2020-21
- Extension of Expanded Retail Discount Scheme for 2021-22
- Extension of Expanded Retail Discount Scheme for 2021/22
- Public Lavatories Rate Relief
- Retail, Hospitality and Leisure Business Rate Relief Scheme for 2022-23
- Local Discretionary Discounts.
- Transitional Relief Scheme for 2023 Revaluation
- Extension of Retail, Hospitality and Leisure Business Rate Relief Scheme for 2022-23
- Supporting Small Business Relief

The policy has been amended and updated to reflect the following:

- Retail, Hospitality and Leisure Discount 2023-24 and extended 2024-25
- Improvement Relief from 2024-25
- Amendment to Rural Rate Relief to confirm this is now 100% mandatory following the implementation of the Non-Domestic Rating Act 2023.
- In paragraph 26 the links to the corporate priorities have been amended to reflect the new Corporate Plan.
- Under the heading Rate Relief Decisions and Appeals (paragraphs 107- 109) the job titles of the delegated decisions have been altered to reflect new job titles.

Under this policy the Chief Executive has delegated powers to implement new relief schemes introduced by Government in line with the required legislation and timetable. This policy will then be updated at the next annual review.

War Pensions and Armed Forces Compensation Disregard Policy (See Appendix 6)

The Housing Benefit Regulations 2006 make provision for the first £10.00 of income from War Widows (Widowers)/War Disablement Scheme and the Armed Forces Compensation Scheme to be disregarded in any benefit assessment. The cost of this disregard is fully reimbursed to the Council.

The Social Security Administration Act 1992 gives the Council discretion to disregard any amount it chooses in addition to the statutory provision.

The policy has been in place since 2009-10 and the Council has taken advantage of this provision and fully disregarded income claimants receive from the War Widows (Widowers)/War Disablement Scheme and the Armed Forces Compensation Schemes when assessing entitlement to Housing Benefit/Council Tax Support.

There are no proposed amendments to this policy.

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

- Approve the Revenues and Benefits Policies attached as Appendix 1 to Appendix 6.
- Approve implementing the 100% Empty Homes Premium after one year from 1 April 2024
- Make a determination to implement a 100% premium for second homes to increase the council tax charge to 200% from 1 April 2025.

7. Implications

Policy	The following policies have been amended: Council Tax Discount Policy Corporate Debt Policy Discretionary Housing Payment Policy Rate Relief Policy
Finance and value for money	The policies included in the report cover those in the Revenues and Benefits service that impact on the management of income and the support available for businesses and residents. The policies have an impact on the income contained within the 2024/25.
Legal	Revenues and Benefits policies are subject to the relevant legislation and statutory instruments. The policy updates highlighted in this report are in line with those legislative requirements
Procurement	No implications
Human resources	No implications
Property	No implications
Equalities Act: is a full impact assessment required and attached?	No - no equalities issues identified EIA has not been carried out as the policy updates for the Rate Relief policy are introduced nationally by the Government. The hardship scheme introduced by the Council Tax Discount

	policy is in relation to surplus funds from 2023/24 hardship fund.
Risk assessment	No implications
Crime and disorder	No implications
Customer considerations	The policy updates apply to businesses and residents of the County based upon an eligibility requirement for the particular schemes.
Carbon reduction	There are no carbon reduction implications as a result of this report.
Health and wellbeing	No implications.
Wards	All wards are affected by these policies .

8. **Background papers**

County Council Report – 22 February 2023
County Council Minutes – 22 February 2023

9. **Links to other key reports already published**

Not applicable

10. **Author and Contact Details**

Gillian Caisley, Senior Revenues Officer
Email: gillian.caisley@northumberland.gov.uk