



Northumberland

County Council

Cabinet

Tuesday, 11 February 2025

Revenues & Benefits Policies 2025-26

Report of Councillor(s) Councillor Wojciech Ploszaj, Cabinet Member for Corporate Services

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

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 Cabinet to recommend to County Council to:

- Approve the Revenues and Benefits Policies attached as Appendix 1 to Appendix 6 and the associated amendments.
- Approve removing the 100% class D discount in respect of uninhabitable properties for Council Tax

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

16 July 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 – the Levelling-Up and Regeneration Act 2023 allows 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 The Council Tax (Prescribed Classes of Dwellings and Consequential Amendments)(England) Regulations 2024 sets out certain circumstances where empty homes premium and second homes premium cannot be charged.
- 5.7 The Council made a determination in February 2024 to implement the second homes premium for council tax with effect from 1 April 2025.
- 5.8 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, and second homes (including second homes premium).

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

The policy has been updated for 2025-26 as detailed below:

- On pages 4 and 5 paragraphs have been added and removed which fall under the heading Policy.

Paragraph 3 has been added to confirm that with effect from 1 April 2025 a 100% second homes premium will be applied to all second

homes with the exception of those which fall under the classes contained within the Council Tax (Prescribed Classes of Dwellings and Consequential Amendments)(England) Regulations 2024.

Paragraph 4 from last year's policy has been deleted and replaced with a new paragraph (now paragraph 5). These changes remove the 100% discount which was previously awarded to Class D vacant properties (uninhabitable properties). With effect from 1 April 2025 the discount is set to 0%.

A paragraph has been added below the table of empty homes premium to clarify that with effect from 1 April 2025 there will be certain circumstances where an empty homes premium cannot be applied.

- On page 7 a paragraph has been added to confirm that there will be no Council Tax Support Hardship Fund for 2025-26.

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. Amendments have been made to this annex to reflect the increases in Court Fees and charging order fees.

Annex 3 Housing and Council Tax Benefit/Support Overpayments Policy – sets out the policy for the administration and recovery of overpayments. Some minor amendments have been made to paragraph 16. Reference to CIS has been removed and 'Income Support, Jobseeker's Allowance (Income Based)' has been replaced with 'any State Benefits'.

Annex 4 Methods of Payment Policy – sets out the range of payment methods available to customers. Minor amendments have been made to this annex;

- Paragraph 4 has been updated to reflect the current methods of payment.
- Paragraph 5 has been slightly amended to clarify that Direct Debit is the preferred method of payment for invoices payable by instalments.

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. Some wording amendments have been made to this annex;

- 3.1 - 'Directors and Heads of Service' changed to 'All Staff' .
- 4.2 - Wording simplified to clarify that Services must ensure they obtain correct customer details when goods/services are provided.
- 5.3 - Amended to clarify the requirement for Services to raise invoices within 10 days of goods/Service provision.
- 7.1 - Wording simplified to clarify that Services must be aware of risks and that they can request a credit search to be carried out.
- 8.1 - Slight change to wording to clarify the Policy aim to collect debts fully and promptly.
- 8.3 and 8.4 - Wording amended to clarify that Services must record and monitor payment arrangements, and follow-up in the event of non-payment.
- 8.5 - Slight change to wording to say invoices are payable after 30 days unless stated otherwise.
- 10.1 - Number of days amended to align with current Oracle parameters.
- 10.2 - Deleted.
- 10.3 - Number of days amended to align with current Oracle parameters.
- 10.4 - Number of days amended to align with 10.1 & 10.3; line requiring telephone call removed.
- 10.6 - Slight amendment to wording to clarify when debtor tracing will be carried out.
- 10.9 - Amended to emphasis Services should withdraw provision of non-statutory services in the event of non-payment, and number of days amended to align with 10.3.
- 11.2 - Wording amended to provide clarity around the procedures for Services for dealing with disputes.
- 12.2 & 12.3 - Paras combined and updated.
- 14.1 - Slight amendment to wording to reflect reviews during the year.
- 14.5 - Deleted. Reference to delegations etc is referenced in 14.3
- 14.6 - Amended slightly and the word 'form' removed. This will allow schedules to be provided where bulk approval is requested, e.g. high value/insolvency debts that go to the CFO/CEO etc.
- 15.1 - Wording amended to clarify that Services are responsible for monitoring and pursuing debts owed to their Service area.

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 throughout the Council. Some wording has been removed and added to the policy:

- 10.3 - removed reference to consent to recover overpayments from salary as the Policy already sets out that overpayments **will** be recovered from salary.
- 10.4 - additional wording added to allow discretion to recover overpayments from retrospective pay awards to current employees where applicable.
- 12.3 - additional wording added to allow discretion to recover overpayments from retrospective pay awards to ex-employees.

Annex 9 Bankruptcy and Liquidation Policy – ensures that the Council’s use of bankruptcy or winding-up proceedings for outstanding council tax, business rates, sundry debts and housing benefit overpayment is consistent and complies with the relevant legislation and best practice. Some minor amendments have been made to this annex:

- Decision making 3 - Deleted as not required for insolvency.
- Decision making 4 changed to Decision making 3.
- Legislation and Prerequisites to Winding-Up Proceedings - slight change to wording in final paragraph.

Annex 10 Enforcement Agent Code of Practice for Council Tax and National Non-Domestic Rates – outlines the way that enforcement agent companies collecting local taxation debts on behalf of the Council should conduct themselves. Some minor amendments have been made to this annex:

- Professional Standards - updated to include enforcement agent companies engaged by NCC to be ECB accredited; also included requirement for understanding of National Standards.
- Complaints, para 2 - slight change to wording as complaints may not take 21 days to investigate and conclude.
- Complaints, para 6 - Ombudsman title updated.
- Final paragraph - amended to say that Citizens Advice will be notified of changes to policy as and when they are approved.

Annex 11 Housing Income Management Policy – sets out the policy for the collection of rent arrears due to the Council. No amendments have been made to this annex.

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.

Some minor amendments have been made to the wording of this policy:

- Paragraphs 18 and 27 have been amended to include the Housing Cost element within Universal Credit.
- Paragraph 32 clarifies that DHP will usually be paid 4 weeks in arrears.

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. - 5 - 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
- Nursery Relief Scheme 2020-21
- Expanded Retail Discount Scheme 2020-21
- Extension of the Nursery Discount Scheme 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 2023-24
- Supporting Small Business Relief
- Retail, Hospitality and Leisure Business Rates Relief Scheme for 2025-26

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

- Charities and Not for Profit Organisations (paragraph 23)– with effect from 1 April 2025 private schools will be excluded from receiving both mandatory and discretionary rate relief.
- Paragraph 46 has been deleted from last year's policy as there is no longer a requirement to give a period of one year's notice to ratepayers where a decision is made to vary the relief awarded resulting in an increase of liability.
- Under The Localism Act 2011 a paragraph has been added excluding private schools from receiving this type of relief.
- Newspaper relief: In line with central Government Policy this relief ends on 31 March 2025.
- A new relief scheme has been added. The Retail, Hospitality and Leisure Business Rates Relief Scheme 2025-26. The % reduction has reduced from 75% to 40%.

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 if 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 amended Revenues and Benefits Policies attached as Appendix 1 to Appendix 6.
- Approve the change of council tax discount for Class D properties from 100% to 0%.
- Reject the change of council tax discount from 100% to 0% for class D properties.

The recommendations and amendments reflect changes in national legislation and some minor wording amendments. The removal of the 100% discount will generate around £600,000 additional income per year.

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 2025/26.
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
The Equalities Act: is a full impact assessment required and attached?	No - no equalities issues identified EIA has not been carried out as the amendments are either national legislation or minor wording amendments. Changes to the class D discount does not affect residences.
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	No implications
Health and wellbeing	No implications
Wards	All wards are affected by these policies

8. Background papers

County Council Report – 21 February 2024
County Council Minutes – 21 February 2024

9. Links to other key reports already published

Not applicable

10. Author and Contact Details

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