



CABINET

8 FEBRUARY 2022

APPROVAL OF REVENUES and BENEFITS POLICIES FOR 2022-23

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 update Members on the policies governing the administration of Revenues and Benefits and seek approval for the updates and amendments highlighted.

Recommendation

Cabinet to recommend County Council to approve the Revenues and Benefits Policies attached as Appendix 1 to Appendix 9

Link to Corporate Plan

Effective income collection and support for businesses and residents are critical to the overall objectives set out in the Corporate Plan. Efficient income and support management contributes to the availability of resources for deeper or wider service provision.

Key issues

1. There are a number of policies used by the Revenues and Benefits service in their day-to-day administration of council tax, business rates, housing benefit and council tax support and sundry debt.
2. Some of the policies are mandatory and guided by legislation and others have a discretionary element. The current policy details are highlighted below in paragraphs 14.
3. Some of the policy decisions have remained unchanged since the incorporation of the Council on 1 April 2009.
4. The policies are annually reviewed and updates and amendments approved. In previous years this has been included within the Budget and Council Tax setting report approved at County Council each February.
5. It has been necessary to amend the following policies for the 2022 financial year:
 - Council Tax Discount Policy (see Appendix 2)
 - Rate Relief Policy (See Appendix 5)
6. The Council Tax Discount Policy (see Appendix 2) has been updated to include an £200 hardship payment for 2022/23. This will reduce the council tax liability for working age council tax support claimants by up to £200. This will take 13,958 out of council tax for 2022/23 and reduce the liability of 5,062 by the £200 payment.
7. The Rate Relief Policy (See Appendix 5) has been amended to update the policy with schemes that the Government has introduced since the last update in February 2021 and a new scheme for 2022/23. The updates are for:
 - Nursery Relief Scheme 2021/22
 - Expanded Retail Relief Scheme 2021/22
 - Public Lavatories Rate Relief
 - Retail, Hospitality and Leisure Business Rate Relief Scheme for 2022/23
9. All of the above amendments will result in additional relief being applied to the business rates account which will reduce the overall business rates liability.
10. The Council Tax Support Scheme for 2022/23 is not included in this report as it was approved at County Council on 3 November 2021 as part of a separate process.

Background

11. 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.
12. Some of the policies have remained constant since the incorporation of the Council on 1 April 2009 and some have been amended due to changing legislation,

introduction of new legislation, relief schemes or the granting of additional discretions.

13. The policies have traditionally been included as part of the budget setting report in February of each year but will now be a separate report for consideration. The policies were last approved at County Council as part of the Budget setting process on 24 February 2021.
14. A summary of each policy is provided below for information and where there are proposed changes details of the changes are highlighted below.

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 had been amended to reflect the COVID Hardship Fund payments of up to £150 awarded to working age council tax support claimants in 2020/21 and up to £300 for 2021/22. The policy has been updated for the 2022/23 financial year to introduce a hardship payment up to a maximum of £200 per working age council tax support claim under S13A (1)(c) of the Local Government Finance Act 1992.

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:

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| Annex 1 | Council Tax and NNDR Recovery Policy – sets out the recovery action taken to recover unpaid liabilities. No amendment has 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 have been made to this annex; |

- Annex 4 **Methods of Payment Policy** – sets out the range of payment methods available to customers. No amendment has 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. No amendment has 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. Minor wording changes have 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. No amendment has 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 policy has had some minor wording amendments carried out to Annex 8 and 11 but these minor amendments do not make 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.

There are no proposed amendments to this policy.

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
- Expanded Retail Discount Scheme 2020/21
- Nursery Relief Scheme 2020/21
- Local Discretionary Discounts.

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

- Extension of the Nursery 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

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.

Counter Fraud Policy (See Appendix 7)

The policy sets out the Council's commitment to the prevention, detection and investigation of internal and external fraud and by working in partnership with other agencies reducing the incidence of crime and theft against the Council.

There are no proposed amendments to this policy.

Bribery and Corruption Policy (See Appendix 8)

This policy applies to all of the Council's activities and provides a framework to enable employees and members to understand and implement arrangements enabling compliance.

There are no proposed amendments to this policy.

Anti-Money Laundering Policy (See Appendix 9)

This policy sets out the obligations that impact on certain areas of local authority business and require local authorities to establish internal procedures to prevent the use of their services for money laundering.

There are no proposed amendments to this policy.

Implications

Policy	The following policies have been amended: <ul style="list-style-type: none">• Council Tax Discount Policy• Rate Relief Policy
Finance value and 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 2022/23 budget.
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	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

(Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	is in relation to surplus funding that had already been received and has enabled a scheme to be provided for 2022/23 from the residue left.
Risk Assessment	No implications
Crime & Disorder	No implications
Customer Consideration	The policy updates apply to businesses and residents of the County based upon an eligibility requirement for the particular schemes
Carbon reduction	No implications
Wards	All wards are affected by this proposal

Background papers:

County Council Report – 24 February 2021
County Council minutes – 24 February 2021

Report sign off.

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

	Full Name of Officer
Monitoring Officer/Legal	Helen Lancaster/Neil Masson
Service Director Finance & Interim S151 Officer	Jan Willis
Relevant Executive Director	Jan Willis
Chief Executive	Daljit Lally
Portfolio Holder(s)	Richard Wearmouth

Author and Contact Details

Graeme Barnes
Revenues and Benefits Manager
01670 624351
Graeme.barnes@northumberland.gov.uk