

**REDDITCH BOROUGH COUNCIL**

**Executive**

9<sup>th</sup> January 2024

**COUNCIL TAX - DISCRETIONARY COUNCIL TAX REDUCTION POLICY -  
COUNCIL SECTION 13A1(C) POLICY**

Relevant Portfolio Holder	Councillor Luke Court
Portfolio Holder Consulted	Yes
Relevant Head of Service	Bernard Ofori-Atta Head of Finance and Customer Services
Report Author	Job Title: Financial Support Manager Contact email: david.riley@bromsgroveandredditch.gov.uk Contact Tel: 01527 548 418
Wards Affected	All
Ward Councillor(s) consulted	No
Relevant Strategic Purpose(s)	Aspiration, Work and Financial Independence
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

**1. RECOMMENDATIONS**

**The Executive Committee RECOMMEND that: -**

- a) The Section 13A(1)(C) policy be approved and adopted from 1<sup>st</sup> April 2024.**

**2. BACKGROUND**

- 2.1 The council has the power under section 13A(1)(C) of The Local Government Finance Act 1992 (LGFA '92) to reduce the amount of council tax that a person is liable to pay. The section 13A(1)(C) power may be exercised on a case-by-case basis or by determining a class of case in which the liability will be reduced.
- 2.2 The council, under an agreement between district councils and the county council, exercises the discretionary power on a case-by-case basis to provide a discount to Worcestershire County Council care leavers resident within the district.
- 2.3 The 13A(1)(C) power is also used to provide council tax discounts where, following a severe weather event, Government has determined that the flood recovery framework will be applied. Eligible residents impacted by flooding receive a 100% council tax discount for a minimum of three months and if they are unable to return to their home.

- 2.4 Government has allocated funding to councils to provide support to households using the 13A(1)(C) powers. In the 2020/21 tax year local authorities were provided with funding to administer the Covid-19 hardship fund. The hardship fund gave council tax discounts of up to £150 to residents who were in receipt of council tax support. The council tax support fund, during the 2022/23 tax year, has provided funding for a £25 reduction to council tax support recipients. In addition, councils were asked to use their discretionary council tax support powers to ensure that sponsor payments under the homes for Ukraine scheme did not affect a sponsor's local council tax support entitlement.
- 2.5 The council's policy for the award of section 13A(1)(C) reductions has not been reviewed for several years; amendments to the policy will ensure that the delegation to provide discounts in-line with any future national schemes are in place and enable support to be provided speedily to any qualifying households.
- 2.7 The refusal to provide support under 13A(1)(C) can be appealed to the Valuation Tribunal. The policy will provide officers with a framework for making decisions on a case-by-case basis from households requesting discretionary support.

**3. FINANCIAL IMPLICATIONS**

- 3.1 The Collection Fund (Council Tax Reductions) (England) Directions 2013 require billing authorities to transfer the cost of 13A(1)(C) discounts from their general fund to the collection fund. The full costs of all 13A(1)(C) discounts are met by the billing authority.
- 3.2 An agreement with Worcestershire County Council is in place which ensures that the authority is reimbursed for the costs of care leaver reductions for WCC care leavers.
- 3.3 The costs of national schemes of support - such as the homes for Ukraine sponsor payment disregard, the flood recovery framework, and the hardship support fund – are met by central government through section 31 grants where the authority has administered support in accordance with Government guidance.
- 3.4 The policy will allow for better management of the costs of discretionary reductions by providing a structured basis for the assessment of applications.

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- 3.5 There is no current budget provision for the award of section 13A(1)(C) discounts, the costs of support excluding those schemes financed by central government or agreement with the county council has been minimal.

### **4. LEGAL IMPLICATIONS**

- 4.1 The power to provided reductions to council tax is set out at section 13A(1)(C) of the Local Government Finance Act 1992. There is no specific case law or legal implications relating to the use of the discretionary power.
- 4.2 The local government ombudsman – in relation to council tax recovery policies – decided that the absence of a policy was maladministration. Review and revision of the policy provides assurance in the event of any appeals to the LGO in the administration of the discretionary reductions.

### **5. STRATEGIC PURPOSES – IMPLICATIONS**

#### **Relevant Strategic Purpose**

- 5.1 The use of discretionary reductions to council tax support the council's strategic purpose of Aspiration, Work and Financial Independence by allowing officers to make decisions to provide discretionary support to households.

#### **Climate Change Implications**

- 5.2 None

### **6. OTHER - IMPLICATIONS**

- 6.1 None

#### **Equalities and Diversity Implications**

- 6.2 None

#### **Operational Implications**

- 6.3 None

### **7. RISK MANAGEMENT**

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- 7.1 Please explain any risks and any mitigating action that will be taken to address those risks.

Risk	Mitigations
Financial Risk. The cost of discretionary reduction is met by the billing authority	The costs of discretionary reductions will be monitored monthly and reported to Head of Finance and Customer services.
Reputational Risk. The absence of policy could result in finding of maladministration or limit the council's ability to defend valuation tribunal appeals.	Approval of the policy will mitigate the risks and provided clear framework for the assessment of applications for support.

### **8. APPENDICES and BACKGROUND PAPERS**

Appendix A: Council Tax Section 13A(1)(C) policy.

Worcestershire County Council care leavers concordant between the county council and districts.

### **9. REPORT SIGN OFF**

Department	Name and Job Title	Date
Portfolio Holder		
Lead Director / Head of Service		
Financial Services		
Legal Services		
Policy Team (if equalities implications apply)		

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<b>Department</b>	<b>Name and Job Title</b>	<b>Date</b>
Climate Change Team (if climate change implications apply)		