

Council Tax

Section 13A(1)(C) Discretionary Reduction Policy

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Introduction

Section 13A(1)(C) of The Local Government Finance Act 1992 provides billing authorities with the power to reduce the amount of council tax which a person is liable to pay by such amount as it sees fit. The power can be exercised on a case-by case basis or by determining a class of case in which liability is to be reduced.

The 13A(1)(C) power allows the council the discretion to aid taxpayers where the existing legislation does not provide a discount, exemption, or reduction; or where the council feels the existing level of discount or reduction is insufficient given the liable person's circumstances. The power can also be used to implement government policy intended to provide targeted support to council taxpayers.

The policy sets out the process by which a person can apply for discretionary support and the method of administering and determining applications for support.

Policy Objectives

The purpose of the policy is to set out how the council will use its discretionary power and to set out the factors that will be considered when making decisions.

The council will use the power to:

- Prevent homelessness.
- Support vulnerable residents to retain their place in the community.
- Help customers through personal crisis and difficult events.
- Improve financial independence through short-term relief.

Circumstances for award of relief

Worcestershire County Council Care Leavers

A discretionary reduction will be provided to care leavers under the age of 25 who were supported by Worcestershire County Council. The discount will be provided in-line with the care leavers concordant for the care leaver's sole or main residence.

The discretionary discount will be awarded where the care leaver is under the age of 25 and where Worcestershire County Council acted as corporate parent.

The care leaver will be required to claim local council tax support and the discretionary reduction will be considered after the award of LCTS and all other council tax discounts and reductions.

A qualifying care leaver who is the sole resident of a property will receive a 100% discount; where the care leaver is a joint-tenant or jointly liable for council tax they will receive a proportional discount, for example where there are two liable people the discount will be 50%.

Where a care leaver under the age of 25 takes residence with a parent or grandparent and there is a resultant loss of a single person discount then section 13A(1)(C) will be used to provide an equivalent discount.

The support for care leavers will be amended where there are changes to Worcestershire County Council care leavers concordant.

Flood Recovery Framework

In a severe weather event with significant wide area impacts the Government may provide central support to help communities and businesses return to normal. A key element of the flood recovery framework is the council tax discount scheme which provides support to people whose homes have been flooded and become unliveable.

Where the flood recovery framework has been activated Section 13A(1)(C) powers will be used to provide support to qualifying households. The discount will be provided in accordance with the rules set by central government.

Government Schemes of Support

The council will implement any Government funded discount schemes in-line with the guidance issued by central government. Where government schemes include an element of discretionary funding then the guidelines for allocation of discount to individual taxpayers will be determined by the Head of Finance and Customer Services in consultation with the relevant portfolio holder.

Other Cases

The council will consider a discretionary reduction where:

- The taxpayer has an outstanding council tax balance.
- There is evidence of extreme financial hardship.
- The other members of the household could not contribute towards the payment of the council tax.
- Action to recover the full council tax liability would result in extreme financial hardship.
- The taxpayer does not have access to assets or funds of any kind which could be used to meet their council tax liability.
- There are no alternative means of securing the payment of the council tax – either through securing the debt using methods such as a charging order; or reducing the balance through the application of discounts, exemptions, or other reductions.
- The taxpayer would be unable to make payments either through restructuring the payment of the council tax balance or restructuring their other debts.
- The taxpayer can demonstrate they have no available income to pay their council tax.

Relationship to Other Schemes of Relief

Section 13A(1)(C) reductions will be considered after applications for:

- Local Council Tax Support
- Council Tax Discount and Reductions
- Discretionary Housing Payments
- Exceptional Hardship and Essential Living Funds
- Discretionary Council Tax Support provided under Government funded schemes.

Application and Evidence

Taxpayers, or a person authorised to act on their behalf, will be required to apply for the discretionary reduction in writing and set out the circumstances on which the application is based. The application will be in addition to any application for local council tax support.

Where the initial application indicates that a discretionary reduction may be appropriate the council will request further evidence which may include, but is not limited to:

- Household composition and income and expenditure details for all members of the household.
- Evidence of all capital and assets of the taxpayer; to include evidence of mortgage balances and property value where property is owned by the applicant.
- Income and expenditure for the taxpayer for the period to which the application relates to the current date.
- Utility and household bills.

Amount of Award and Duration

The amount of reduction and the duration of the award are determined at the discretion of the council and will be made based on the evidence supplied and the circumstances of the claim.

The reduction will be calculated as a daily amount and the taxpayer will be notified of the award on the basis that their circumstances and eligibility will remain the same for the remainder of the tax year.

Where the reduction is being made for a period that will end before the end of the tax year then we will notify the customer of the end date and the reduction will be apportioned at this date.

The reduction will end in the following circumstances:

- The end of the tax year for which the reduction was made.
- Where the liable person changes or an additional resident joins the household.
- The council taxpayer enters any form of insolvency process.
- The council taxpayer's financial circumstances significantly alter.
- The liability for council tax ends.

When the reduction ends the amount of the discretionary award will be apportioned accordingly.

Backdating

Section 13A(1)(C) discount will, where applicable, be backdated to the start of the tax year in which the application is made.

Where a new liability has been created for a previous tax year then backdating will be considered if the application for discount is made within six-months of notification of liability being issued to the taxpayer.

Backdating for periods before the tax year in which the application is made, or for periods outside of the six-month window, will be considered where the taxpayer has demonstrated continual exceptional hardship from the period for which the application has been made to the date of application. Evidence will be required for the whole period.

Notification of Award

The council will notify the outcome of each application in writing. The notification will include the reason for the decision and advise the applicant of the appeals process.

Where a reduction has been granted the notification will include the reasons for the award, the period of the award and the date on which it will end. The notification will advise the taxpayer that they must inform the council of any changes in their circumstances that are relevant to the award.

Appeals

Appeals against the council's decision may be made in accordance with section 16 of the Local Government Finance Act 1992.

The taxpayer must first appeal in writing to the council outlining the reasons why they disagree with the decision to refuse relief. When the appeal has been received the council will reconsider the decision and notify the taxpayer in writing of the outcome of the appeal.

Where the taxpayer remains aggrieved then a further appeal can be made to the valuation tribunal. This appeal must be made within 2 months of the council's decision.

Where the council does not respond to an appeal within 2 months the taxpayer may appeal directly to the valuation tribunal.

Fraud

The Council is committed to protecting public funds and ensuring funds are awarded to the people who are rightfully eligible to them.

An applicant who tries to fraudulently claim a reduction in liability by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under The Fraud Act 2006.

Where the Council suspects that such a fraud may have been committed, this matter will be investigated as appropriate and may lead to proceedings being instigated.