



Customer and Exchequer Service

Discretionary Council Tax Reduction Policy

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1. Introduction

The Local Government Finance Act 1992 provides for reductions in council tax by billing authorities.

The provisions in s13A of the act allow for two types of reduction.

The first type of reduction, is a reduction required under s13A(1)(a) by virtue of the billing authority's "Council Tax Reduction Scheme", this policy does not apply to that scheme.

The second type of reduction (a reduction to which this policy applies) is a reduction that may be awarded under s13A(1)(c). A reduction under this policy may be awarded in addition to any reduction under the "Council Tax Reduction Scheme" or in the absence of a reduction under that scheme.

S13A(6) allows for a council tax charge to be reduced to nil.

S13A(7) allows the billing authority to exercise its power under 13A(1)(c) in relation to individual cases (the basis for such decisions are set out in this policy).

S13A(7) also allows authorities to define classes of case and the extent to which council tax might be reduced for those classes. The authority has not defined any classes of case for which a reduction would be appropriate.

Any payment under this scheme will be accounted for in the Collection Fund

2. Wednesbury Reasonableness

When a local authority uses its discretion, it must have made its decision in a rational way. Therefore any decision we make with regard to a reduction must follow the principles of "Wednesbury Reasonableness" taking account of relevant considerations and disregarding irrelevant details.

3. Claims for a Discretionary Council Tax Reduction

3.1 Claims must be made in accordance with Paragraph 9 Schedule 7 Part 3 of the "Council Tax Reduction scheme"

3.2 An application may be made:

1. In writing
2. Electronically (by email)
3. By Telephone

Any application, however made, may be subject to evidence requirements that include the provision of original documents.

3.4 A reduction may be awarded in respect of a past period (backdating) see section 5

4. Qualifying Criteria

This assessment is designed to identify and help customers in severe hardship and or who would encounter hardship without additional financial support.

In determining hardship account should be taken of the customer's current situation and the likelihood of their financial position improving.

Part of the assessment will take the form of a means test to establish the degree to which support is required.

In the interests of Wednesbury Reasonableness the following is a list of issues which should be seen as a guide by the decision maker to the type of issues they should consider when reaching their decision.

Overview

- a) DCTR is targeted assistance to households with multiple and serious financial difficulties
- b) Any decision will be considered alongside the authority's Local Welfare Provision policy, and payment in kind for food etc can be considered in order to free up disposable income to meet the council tax liability.
- c) Any person that is excluded from the authority's main CTR scheme by virtue of their status or available capital, will also be excluded from any reduction under this policy.

Initial considerations

- d) Is there any evidence that the customer has made any payments or engaged with officers seeking payment? What evidence is there?
- e) Is the customer entitled to any other discount, exemption or reduction?
- f) Is there any evidence that the debt was accrued during a period when the customer was in a better financial position?
- g) Is any of the debt attributable to recovery costs? See also h) and (q) below,
- h) In many cases a liability order will have been granted and this should remain live even if costs are removed.

Take into account

- i) Is any of the disregarded income to meet specific needs? Are those needs identified in the expenditure side of the equation and should they too be disregarded?
- j) DLA for mobility should not be taken into account as income in the assessment, if there is such a disregard, any expenses attributable to additional mobility needs should also be disregarded.
- k) Are there any non-dependants or other residents that are jointly and severally liable in the household who could provide (extra) help with the Council Tax?
- l) Does the customer or partner have any capital (including disregarded capital), if so, how much?
- m) Does the customer or partner have any disregarded income? If so, how much?

Other

- n) Is the shortfall in income caused by under occupation and is re-location the solution.
- o) Has the customer engaged with the CAB and other advice partners for financial and debt advice?
- p) What is the current level of indebtedness?
- q) Is recovery action already at an advanced level? (Contact recovery section)
- r) Is the CT debt rising year on year?
- s) What offer of payment or current re-payment arrangements exists?
 - o Deduction from DWP benefits after liability order?
 - o A voluntary deduction from DWP benefits should be considered.
 - o Ongoing Payment arrangement?
 - o Financial and debt advice?
 - o Basic banking advice and set up?
 - o Skills based job advice and training?

The above is not an exhaustive list but is meant as a guide for decision makers

4.1 Third Party Payments

No Council Tax liability (except that of a care leaver) will be reduced under this scheme so as to make the total amount payable daily, less than that which might be recovered through the Department for work And Pensions - Third Party Payments scheme regulated by Social Security (Claims & Payment) Regulations 1987, Regulation 35(1) and Schedule 9 and The Council Tax (Deductions from Income Support) Regulations 1993.

The Third Party Payments scheme weekly maximum is calculated as 5 percent of the personal allowance of a single claimant, rounded up to the nearest 5 pence.

At the time of writing this policy the allowance is £72.40 meaning that the maximum equates to £3.65 weekly.

That daily maximum means that no liability will be reduced under this scheme so as to make any liability less than £189.80 annually.

This section applies irrespective of whether a third party payment would be appropriate in any case. This means that this restriction is not contingent upon there being a liability order, or a benefit in payment and neither is it constrained by any overall limit or the priority of debts in the DWP TPP scheme.

4.2 Care Leavers

The liability of a care leaver is capable of being reduced to nil, if they are engaging with the authority to find a solution to their financial difficulties.

For the purposes of this policy a Care Leaver is defined as anyone aged 18 to 21 and who was in the care of the Local Authority for a period of 13 weeks or more spanning their 16th birthday.

There may be additional factors that need to be considered in individual cases. If so, the decision maker should obtain full details from the customer. They will then have to decide whether or not to make a discretionary payment. The decision maker must be satisfied that the customer or family member will suffer if a DCTR is not made. It is not enough to decide that a risk of suffering exists.

5. Limits on Payments

5.1 As DCTRs relate to a distinct Council Tax Liability and are based upon the circumstances pertaining at the time of the application and before, no award will be made beyond the end of the financial year in which the award is made unless the application is made after 1st February in any given year.

5.2 Any award, regardless of when it is made will be for a period of no more than 12 months. In most cases the award will be for a period of 6 months or less and will be reviewed at the end of the award period.

5.3 If a customer makes a claim for a past period (backdating) and has continuous good cause for their failure to make a claim earlier, their claim in respect of that period shall be treated as made on -

(a) the first day from which they had continuous good cause; or
the day 6 months before the date of the claim for backdating if the customer is of working age, 3 months for customers of pension age, whichever fell later

5.4 A DCTR will only ever be made so as to reduce a Council Tax Liability. There are no circumstances in which any sum of money would become payable to the Liable Party. Any refund of Council tax will be NET of any DCTR council tax award.

6. Appeals

6.1 Appeals against any decision in relation to this Policy are to be made and decided in accordance with s16 of the Local Government Finance Act 1992. (as amended)

7. Overpayment

7.1 If the authority were to establish that an award of DCTR was erroneous because the liable party had knowingly provided false or inaccurate information, the reduction will be removed and the original liability will be reinstated, and a penalty may be applied in accordance with The Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013.

8. Notification

8.1 We will write to the customer to tell them whether their DCTR claim was successful. The letter must include:

- the date the award runs from and to
- the amount of the award
- reasons why the claim was successful or unsuccessful

