



Council Tax - Discretionary Reduction Policy

(Section 13A (1) (c), Local Government Finance Act 1992)

Document Title	Council Tax Discretionary Reduction Policy
Version	1.0
Policy Owner	Head of Revenues and Benefits
Policy Issue Date	February 2023
Review Period	Annually
Date of Next Review	February 2024
Committee Considered	Leader Decision

Document Control

Version Control

Issue No.	Author	Status	Issue Date	Reason for Issue
V1.0	Head of Revenues and Benefits	Draft	02/2023	Policy refresh, and review for 2023/24 including CT Support scheme
			23/02/2023	Review and Approval Deputy Chief Executive – Corporate Development (S151)
			25/02/2023	Portfolio Holder – Finance, Commercialisation & Partnerships

Approval Control

Issue No.	Approval Authority	Approval Date	Due for Review
Final V1.0	Leader Decision	27/02/2023	February 2024

Contents

Introduction.....	4
Legislation.....	4
Finance.....	4
Applying for a discretionary reduction	5
Criteria	5
Decision making process	6
Amount and period of relief.....	6
Notification of Decision.....	6
Appeals	6
Reductions in Council Tax liability granted in error or incorrectly.....	6
Fraud	6
ADDENDUM 1 - Council Tax Support Fund 2023/24	8
Finance.....	8
General requirements in relation to funding	8
Core Scheme	8
Who is eligible	8
Amount of relief.....	8
Notification of Decision.....	9
Discretionary Support	9
Amount of relief.....	9
Notification of Decision.....	9
Relationship to the main Section 13A (1) (c) Policy	9

Introduction

Section 13A (1) (c) of the Local Government Finance Act 1992 allows a billing authority council to reduce the amount of council tax payable after taking into account any discounts, disregards, reliefs and exemptions. It can be used for individual cases or the Council can determine classes of case in which liability is to be reduced.

On 23 December 2022, central government published guidance to local authorities in relation to £100million of additional funding to support the most vulnerable households in England. This funding will allow councils to deliver additional support to households already receiving council tax support and will provide councils with resources and flexibility to determine local approaches to support other vulnerable households in their area. South Holland will deliver this scheme, in line with government guidance, under the provisions of this policy. The scheme details are set out in Addendum 1.

Legislation

The relevant legislation, S13A of the Local Government Finance Act 1992 (as amended) states: -

Reductions by billing authority

- (1) The amount of council tax which a person is liable to pay in respect of any chargeable dwelling and any day (as determined in accordance with sections 10 to 13)—
- (a) in the case of a dwelling situated in the area of a billing authority in England, is to be reduced to the extent, if any, required by the authority's council tax reduction scheme;
 - (b) (not relevant to English Billing Authorities)
 - (c) in any case, may be reduced to such extent (or, if the amount has been reduced under paragraph (a) or (b), such further extent) as the billing authority for the area in which the dwelling is situated thinks fit.**

Finance

Any amounts granted under Section 13 A (1) (c) are normally financed through the Councils general fund and do not form part of the collection fund and would fall to be paid by the Council itself.

The Council would expect therefore that there would be evidence of exceptional, unforeseen circumstances to justify any reduction and that any discretionary reduction would be intended only as short-term assistance, and not a means to reduce Council Tax liability indefinitely.

Applying for a discretionary reduction

Applications can be made by the Council Tax payer, or by someone authorised to act on their behalf:

- in writing and sent, clearly headed 'Section 13A Application' to Council Tax, South Holland District Council, Council Offices, Priory Road, Spalding, PE11 2XE;
- by e-mail, with the subject title "Section 13A Application, Council Tax" and sent to counciltax@sholland.gov.uk

The application should: -

- Usually relate to the current council tax year, unless, for example, the liable person has just received an account following late valuation for a previous year(s)
- Clearly set out the circumstances on which the application is based, and any hardship or personal circumstances relating to the applicant.

We may request any reasonable evidence in support of an application. Separate claims must be made in respect of different dwellings and/or council tax accounts.

Criteria

South Holland District Council will only use its powers to reduce council tax liability for a council taxpayer or class of payer in exceptional circumstances or when failure to make an award is likely to lead to exceptional financial hardship.

We will treat all applications on their individual merit, however we will have regard to the following criteria for each case: -

- Evidence of financial hardship or personal circumstances of an exceptional nature;
- Whether the taxpayer has taken all reasonable steps to resolve their situation prior to application;
- That all other eligible discounts/reliefs/benefits have been awarded;
- The taxpayer does not have access to other assets that could reasonably be used to pay council tax;
- The interests of the wider taxpayers who will ultimately bear the cost of the award;
- Whether the taxpayers of the District would consider it reasonable and fair to make an award in the circumstances.

Where a situation could be resolved by some other legitimate means, such as the complaints procedure, it is unlikely that an award under this policy would be made.

The situation and reason for the application must be outside of the taxpayer's control, and the amount outstanding must not be the result of wilful refusal to pay or culpable neglect.

For the purpose of this policy, the Council considers that a circumstance or set of circumstances is exceptional if it is one that:

- a taxpayer would not expect to encounter in their normal lifetime; and
- only affects a small number of taxpayers.

Decision making process

Decisions will be made by senior officers.

Amount and period of relief

The amount of any relief awarded will be at the council's discretion, taking into account the amount of the debt and the extent to which the criteria is met.

The period of reduction will generally be a maximum of 6 months. Taxpayers may apply for further reductions after the initial award has expired, but they will need to persuade the Council that their circumstances remain exceptional and it is in the interests of the wider taxpayers to make a further award.

Notification of Decision

The Council will endeavour to notify a Council Tax payer in writing within 14 days of receiving sufficient information to make a decision.

Appeals

If an applicant is dissatisfied with the decision, a request for a review must be made in writing, stating why they are aggrieved by the decision.

The letter of appeal should be accompanied by any additional information that the applicant feels might justify a change in the original decision. The appeal will be considered by a senior officer who is independent of the original decision.

If, following the submission of a letter of appeal, the taxpayer is still unhappy with the Council's decision, they may make a further appeal to the Valuation Tribunal for England. Any such appeal must be made within 2 months of the letter of appeal to the Council or the Council's response to that letter, whichever is the later.

Reductions in Council Tax liability granted in error or incorrectly

Where a reduction in liability has been granted incorrectly or in error, either due to a failure to provide the correct or accurate information to the Council, or some other circumstances, the Council Tax payers account will be adjusted and the tax payer billed in the normal way.

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 false declaration of their circumstances, providing a false statement or evidence in support of the application, may have committed an offence under The Fraud Act 2006.

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

ADDENDUM 1 - Council Tax Support Fund 2023/24

Finance

Central government has provided funding directly to the Council (amounting to £130,193) to compensate for this specific support package, and it expects the Council, wherever possible, to use all of the funds provided as outlined within its guidance.

Any additional assistance outside of this funding would fall to be paid by the Council itself. In view of this, the Council has determined that once the allocated funds are exhausted, no further reduction in liability will be made under this scheme.

The Council Tax Support Fund is divided into two distinct elements, set out in the following sections: -

- a) Core scheme - The minimum reduction in Council Tax liability for tax payers in receipt of Council Tax Support, and
- b) Discretionary Support

In all cases the government expects billing authorities to apply the reductions to 2023/24 Council tax bills.

General requirements in relation to funding

The Council has been allocated a limited amount of funding for this scheme, and once the allocation is exhausted this Council Tax Support Fund scheme will cease and no further awards will be made.

Where this occurs, any taxpayer may still apply for a reduction under the main Section 13A (1) (c) policy.

Any reduction in liability under this scheme shall apply for the 2023/24 financial year only.

Core Scheme

Who is eligible

Existing Council Tax Support recipients who have an outstanding 2023/24 council tax liability (after the application of any relevant discounts or reliefs and Council Tax Support) will be eligible for a further reduction in their bill. The discount will be shown in the council tax bill issued in March.

No application is required. The reduction to the council tax bill will be made automatically, based on the criteria being met on 1 April 2023.

Amount of relief

Where, after the award of CTS, there is an outstanding 2023/24 liability of more than £25, a reduction of £25 will be applied to the Council Tax bill.

Where the outstanding liability is less than £25, the liability will be reduced to nil.

Where the liability for 2023/24 is nil, no reduction; accounts will not be put into credit.

Notification of Decision

The discount will be shown on 2023/24 annual bills issued in March 2023.

Discretionary Support

In line with central government guidance, the Council will utilise any remaining amount as a hardship fund, to support economically vulnerable households on a case-by-case basis to the full extent of the funding available.

The Council will look to assist Council Taxpayers facing financial hardship, identified through usual business processes, engagement and interaction, or by application for discretionary reduction (as set out in the main policy [Applying for a discretionary reduction](#)).

Amount of relief

The standard discount awarded under this scheme will be up to £100, with discretion to increase this amount in exceptional circumstances.

To be able to support as many households as possible, only one award under this Discretionary scheme will be allowed.

Notification of Decision

The Council will endeavour to notify a Council Tax payer in writing within 14 days of receiving sufficient information to make a decision. Successful applicants will be sent a revised Council Tax Bill showing the discount.

Relationship to the main Section 13A (1) (c) Policy

The following sections contained in the main policy apply equally to this Council Tax Support Fund 2023/24 scheme

[Appeals](#)

[Reductions in Council Tax liability granted in error or incorrectly](#)

[Fraud](#)