



Council Tax Discretionary Reduction Policy

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

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Document Control

Version Control

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Contents

Introduction.....	4
Police Special Constables	4
Exceptional Hardship Fund scheme.....	4
Legislation.....	5
Finance.....	5
Applying for a discretionary reduction	5
Criteria	6
Decision making process	6
Amount and period of relief.....	7
Notification of Decision.....	7
Appeals	7
Reductions in Council Tax liability granted in error or incorrectly.....	7
Fraud	7
Addendum 1 – Exceptional Hardship Fund Scheme	8
1. Aims.....	8
2. Eligibility	8
3. Exceptions.....	8
4. Criteria	8
5. Application Process	9
6. Decisions.....	9
7. Exceptional Hardship Fund Payment (‘award’)	9
8. Change in circumstances.....	10
9. Appeals	10
10. Fraud	10

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.

Police Special Constables

The Council determined, from financial year 2021/22, that Police Special Constables are a class of case who will receive a discount for any day on which the following conditions are met:

- The Council has been notified that by the Police and Crime Commissioner for Lincolnshire that they were a Special Constable.
- They are liable for the Council Tax at their sole or main residence within the District.
- They are not already subject to two 25% discounts from their council tax.
- They are up to date with payment of their Council Tax.

The discount will be 25% and applied in addition to any other discounts (up to a maximum of 50%). In the event that more than one Special Constable is liable for the Council Tax at a property, more than one discount can be applied, but all the discounts cannot exceed 50%.

The discount will be awarded at the end of the financial year for the preceding year.

Exceptional Hardship Fund scheme

This scheme is introduced from 1 April 2025 to assist recipients of Council Tax Support who are facing 'exceptional hardship', where the level of support does not meet the full Council Tax liability.

Exceptional Hardship is not defined but would be considered as hardship beyond that which would normally be encountered.

The fund is cash limited and operated at the total discretion of the Council.

Awards under this scheme will provide short term financial assistance through a reduction in Council Tax, allowing time for the Council Taxpayer to adjust to unforeseen short term financial circumstances or crisis, to enable them to bridge the gap whilst seeking support and longer-term solutions to improve their circumstances.

Further details are provided in Addendum 1 of this policy.

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 amount granted under Section 13 A (1) (c) is normally financed through the Councils general fund and does 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.

The Council, in dealing with collection of council tax liability, may make decisions to 'write off' debt. Such decisions will be made through an assessment of collectability of the debt and does not constitute a reduction in liability as defined within S13A (1) (c) of the Local Government Finance Act 1992.

Applying for a discretionary reduction

Applications can be made by the Council Taxpayer, 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 Taxpayer 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, within 1 month of the decision, 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 an 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 circumstance, the Council Taxpayers account will be adjusted and the taxpayer 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 – Exceptional Hardship Fund Scheme

1. Aims

- 1.1 This scheme aims to offer a short-term safety net for vulnerable Council Taxpayers who are in receipt of Council Tax Support but are experiencing exceptional hardship and unable to pay their council tax.
- 1.2 This support is intended to assist those Council Taxpayers to adjust to new, or unforeseen short-term exceptional circumstances or crisis, and bridge the gap whilst seeking alternative longer-term solutions. In doing so, this scheme will support those households that are making all efforts to help themselves.
- 1.3 The Council recognises that in situations of exceptional hardship, struggling to meet Council Tax payments is unlikely to be the only issue for the customer, and as part of this scheme the Council will help households to maximise their income and receive help and support with management of debt through a referral to Citizens Advice.

2. Eligibility

- 2.1 To be eligible for a Council Tax Exceptional Hardship Payment the applicant must be resident and have a Council Tax liability in the Council area, and
 - a) Currently be in receipt of Council Tax Support (CTS) at their residence, or
 - b) Was receiving CTS on 31 March 2025 but no longer eligible on 1 April 2025 at their residence as a direct result of CTS scheme changes introduced on 1 April 2025.

3. Exceptions

- 3.1 This scheme will not apply in the following circumstances:
 - Where Council Tax liability is being fully met by Council Tax Support.
 - For any reason other than to reduce Council Tax liability.
 - Where the Council considers that there are unnecessary expenses / debts etc. and the Council Taxpayer has not taken reasonable steps to reduce these.
 - To pay off any overpayment of CTS caused by the failure of the applicant to notify changes in circumstances in a timely manner or where the applicant has failed to act correctly or honestly.
 - To cover court costs imposed by the Council.
 - To cover previous years Council Tax arrears.

4. Criteria

- 4.1 The Council will decide whether, or not, to make an Exceptional Hardship Fund award, and how much, having regard to the following criteria:
 - The applicant must be liable for Council Tax, and all eligible discounts, exemptions and reductions must be granted first.
 - There must be a shortfall between the award of CTS and Council Tax liability.
 - The applicant's agreement to be referred to Citizens Advice to receive professional debt and income maximisation advice to improve their circumstances.

- The personal circumstances, age and medical circumstances of the Council Taxpayer, their partner and any dependants in the household.
- The difficulty experienced by the applicant which prohibits them from being able to meet their Council Tax liability, and the length of time this will exist.
- The income and expenditure of the household, including savings and capital.
- The nature of exceptional hardship experienced by the applicant.

This list is not exhaustive and other relevant factors and special circumstances may be considered.

- 4.2 The Council Taxpayer should not become reliant on this support. Council Tax is regarded as a priority debt and the Council Taxpayer should be making all efforts to contribute towards the liability.
- 4.3 An award from the Exceptional Hardship Fund does not guarantee that a further award will be made even if the applicant's circumstances have not changed.
- 4.4 The level of payment may be nil if the authority feels that, in its opinion, the applicant is not suffering 'exceptional hardship', or where the applicant has failed to comply with the process.

5. Application Process

- 5.1 The Council Taxpayer must make an application for an award. The application form can be found on the council's website.
- 5.2 The application form must be completed fully, and all supporting information and evidence provided as requested by the Council to reach a decision. The Council will expect the applicant to be able to evidence the exceptional issues that are affecting their ability to pay their Council Tax.
- 5.3 The applicant will be asked to consent to a referral to the Citizens Advice as part of the application process so that they may obtain further advice on improving their circumstances.
- 5.4 In most cases the applicant will be the person liable for council tax. However, an application can be accepted from someone acting on another's behalf, such as an appointee, if it is considered reasonable.

6. Decisions

- 6.1 Decisions will be made by a Senior Officer. Each application will be treated in an open and consistent manner, having regard to individual circumstances.
- 6.2 Where information or evidence is requested that has not been received within one calendar month, the application will be closed, and no Exceptional Hardship payment will be awarded.
- 6.3 Decisions on Exceptional Hardship will be made after all other eligible discounts and reductions have been applied. Where other discounts and reductions may be available the applicant will be required to pursue those first.
- 6.4 Decisions will be made having regard to the funding available, although this will not be the only consideration.

7. Exceptional Hardship Fund Payment ('award')

- 7.1 Any award and duration will be determined at the discretion of the Council.

- 7.2 Exceptional Hardship Fund payments will be made directly onto the customers Council Tax account thereby reducing the total amount of Council Tax payable for the year, and reprofiling the instalments to be paid. No award will be made that reduces the amount payable to less than nil.
- 7.3 Awards will relate to the current financial year and will not go beyond the end of that year.
- 7.4 The Council will notify the outcome of each application in writing, setting out the reason for the decision, the amount and duration of any award if successful, and will advise the Council Taxpayer of their appeal rights.
- 7.5 If the Council becomes aware that the information contained in an application was incorrect, or that information has not been declared, it may seek to recover the value of any award.
- 7.6 Excess (overpaid) awards will be recovered directly from the Council Tax account, increasing the amount of Council Tax due and payable.

8. Change in circumstances

- 8.1 A person in receipt of an Exceptional Hardship Fund payment is required to tell the Council about any changes in their circumstances that may affect the decision.
- 8.2 The Council may revise an award from the Exceptional Hardship Fund where the applicant's circumstances have changed which either increases or reduces their Council Tax Support entitlement.

9. Appeals

- 9.1 Please see main policy.

10. Fraud

- 10.1 Please see main policy