



Policy for Council Tax Discretionary Reliefs

Under Section 13A (1) (C) of the Local Government Finance Act 1992

Revised version applicable from 1st April 2019

1. Introduction

- 1.1 Section 13A (1) (c) of the Local Government Finance Act 1992 (as amended by Section 10 of the Local Government Act 2012) allows the Council (in its capacity as billing authority) to reduce the amount of Council Tax payable to such extent as it thinks fit. This includes the power to reduce the council tax to nil.
- 1.2 The Council has the right to choose whether to use powers on a case by case basis or to specify a class of use, where several taxpayers may fall into a group due to similar circumstances (e.g. severe flooding). At the present time, the Council has specified one class of use, care leavers (see below). All other claims will be considered on an individual basis.
- 1.3 There is a financial implication to awarding reliefs under Section 13A (1) (c) as the Council has to finance all such reliefs from its own funds. Therefore awards must meet the underlying principle of offering value for money to Council Tax payers.
- 1.4 This policy sets out how Derbyshire Dales District Council will consider applications and apply relief under section 13A (1) (c). This updated policy applies from 1st April 2019. The previous policy will continue to apply until 31 March 2019.

2. Purpose of the policy

- 2.1 This policy outlines the conditions that should be satisfied in order for the Council to consider relief.
- 2.2 The policy is intended ultimately to enable the Council to provide relief to those in the most extreme financial hardship.
- 2.3 The Council provides a Council Tax Support (Reduction) (CTS) Scheme in accordance with section 13A of the Local Government Finance Act 1992. The Council's CTS scheme can be downloaded from the Council's website:
<http://www.derbyshiredales.gov.uk/housing-a-council-tax/benefits/council-tax-support>
- 2.4 This discretionary relief policy is independent of the Council's CTS scheme.

3. Award criteria

3.1 Section 13A (1) (c) relief awards will be used in cases of unforeseen or exceptional circumstances that threaten taxpayers' abilities to fund the cost of council tax and may threaten their ability to remain in their homes.

3.2 The main features of this relief are that:

- it is discretionary;
- an applicant does not have a statutory right to a payment;
- the operation of the scheme is for the Council to determine;
- the Council may choose to vary the way in which funds are allocated according to community needs;
- if the applicant is dissatisfied with any decision taken on a claim that they have made, they can ask for further details on the decision and make an appeal in line with Section 5.4 of this Policy.

3.3 Where a scheme relates to a Government Scheme, (e.g. a case of severe flooding) the features of the scheme will be as defined by Government or, where local discretion is allowed, as defined by the Council for that specific instance.

3.4 Where the scheme applies to a **local council tax discount for care leavers**, the following criteria will apply:

- i) A care leaver is defined as a young person aged 18 to 25 who was formerly a child in the care of a local authority and who then became a 'care leaver' as described in The Children (Leaving Care) Act 2000 and is liable for Council Tax on a dwelling within the Derbyshire Dales District Council area.
- ii) Applications may be made by the care leaver or by the Leaving Care Team, or equivalent, for and on behalf of the care leaver previously registered with a local authority in the financial year immediately preceding their 18th birthday.
- iii) Applications may be backdated to 1 April in the year of application if the 18th birthday fell in the previous year.
- iv) Council Tax Discount will be awarded on a single property occupied as the sole or main residence in the District Council's area, from the date of the care leavers 18th birthday until the day immediately preceding their 25th birthday, as follows:
 - a. Sole occupation by a care leaver of 100% of residual balance of Council Tax payable after the award of any other discount relief or exemption.
 - b. Where a care leaver is jointly liable a proportionate award will be made according to their individual circumstances, e.g. if there's one other occupier then a 50% discount will apply.
 - c. Where the care leaver is not liable for Council Tax no discount will apply.

- v) Discounts will be subject to annual review of eligibility which will include financial circumstances.
- vi) The Scheme may be varied or terminated on 12 months' notice on a decision by the Council. (We are intending to keep the Scheme under review as regards cost and administration).

This discount is in addition to the Council's current Local Council Tax Support Scheme (CTS scheme) and will provide assistance to people living within the District that have previously been in care and meet the appropriate qualifying criteria, as detailed above.

The Local Council Tax Discount for Care Leavers Scheme will only be applied after all other relevant discounts and exemptions have been applied. Where the qualifying criteria is met and all discounts and exemptions, including CTS, do not cover the full Council Tax charge, then under this scheme the qualifying care leaver will receive further assistance to cover 100% of their council tax charge.

3.5 Where the scheme applies to **individual cases**, the following criteria will apply:

Derbyshire Dales District Council will consider applying discretionary relief if all of the following circumstances are satisfied:

- The applicant has an outstanding council tax balance;
- There is compelling evidence of extreme financial hardship;
- No other occupants of the property could contribute towards the council tax payable;
- Enforcing the full council tax liability would result in severe hardship e.g. insufficient money being available for basic and essential needs such as housing, food, heating, lighting or essential medical needs;
- The liable person does not have access to assets or funds of any kind which could be used to meet their council tax liability;
- All alternative means of resolving the outstanding liability have been exhausted – this includes but is not limited to discounts, exemptions, council tax support, valuation office/valuation tribunal application;
- The liable person can demonstrate that they have no available income to pay their council tax;
- If the liability relates to a retrospective period the customer can demonstrate and evidence that arrears did not accrue due to their wilful refusal to pay council tax or due to their culpable neglect to pay their council tax.
- The customer can evidence that each of the criteria set out above was satisfied for the entire period for which they wish to be considered for discretionary relief.

If all of the above circumstances are satisfied the Council will consider granting relief. The Council retains ultimate discretion, in accordance with the discretionary nature of the scheme, and applications for relief will be considered on their individual merits.

The Council will make all decisions on the basis of merit; it will act fairly and reasonably, and will have regard to all the relevant circumstances.

4. Application Process

- 4.1 Applications should be made in writing (including email) to the Revenues Team under the title of Section 13A (1) (c) Relief Application. Applications may be made by the customer claiming the reduction, or a party authorised by the applicant.
- 4.2 Each application must set out the circumstances upon which the application is based and should include:
1. The level of discount being requested (i.e. is this for the full year's council tax or part of it, such as 50%);
 2. The reason for the request (i.e. why is the discount wanted and how this meets our policy);
 3. Whether the applicant is a Care Leaver
 4. Period of time the discount is wanted for (i.e. the full financial year, part of financial year or some other period of time);
 5. Steps that have been taken to meet or mitigate the council tax liability (i.e. any other discounts or reductions awarded).
- 4.3 Where a scheme relates to a Government Scheme, the award of any discount will be as set out by Government or, where local discretion is allowed, as defined by the Council for that specific instance.
- 4.4 The Council aims to make a decision within 28 days of receiving all the information required.

5. Eligibility Criteria

- 5.1 Each application will be considered on its individual merits against the conditions set out above.

6. Awarding a Section 13A (1) (c) Relief

6.1 Evidence required for individual applications (not care leavers)

In deciding whether to make a Section 13A (1) (c) award the Council will have regard to the applicant's circumstances. In order to do this the Council will make enquiries regarding the income and expenditure of all household members. Household members may be asked to supply reasonable supporting evidence to substantiate the answers that they give to the questions above. This may include, but is not limited to:

- income & expenditure statements;
- any sources of credit such as cash cards, credit cards, store cards, cheque cards, cheque accounts, overdraft facilities, loan arrangements;
- any help which is likely to be available to the applicant from other sources;
- any other special circumstance of which we are aware.

Evidence may be requested that is relevant to the application (e.g. evidence of illness). Where information or evidence requested has not been received within 21 days the Council will determine the application on the basis of the evidence and information in its possession. The Council may refuse to grant relief where the absence of information and evidence prevents the Council from reaching an informed decision regarding the applicant's circumstances.

6.2 Amount of relief

The amount of discretionary relief to be awarded will be at the Council's discretion. Any amount of relief granted will be credited to the council tax account and should not result in a positive balance on the council tax account.

6.3 Period of relief

The Council retains ultimate discretion over the period for which relief may be granted. Relief will only be granted on liability for the financial year in which the request is made or for such prior period as the Council deems appropriate. Relief will not be awarded for subsequent financial years unless a further successful request is made.

The Council retains the right to withdraw relief at any time, including for retrospective periods, if the:

- where conditions or circumstances in which the reduction was granted change or fail to materialise
- information submitted as part of the application proves misleading
- applicant ceases to be a Council Tax payer

The customer must advise the Council of any such relevant change to their circumstances within 14 days of the change occurring.

6.4 Decision making and appeals

Any relief granted in accordance with this policy must be determined as follows:

Decisions for reliefs will be made within 28 days of receipt of application and all relevant information. The applicant will be notified of the decision in writing. The notification will include the decision and details of any amount of relief to be awarded and details of the period to which the award relates.

Where the request for a Section 13A (1) (c) relief is unsuccessful or not met in full the Council will explain the reasons why the decision was made, and explain the applicant's right of appeal.

Section 13A (1) (c) awards are administered under the Local Government Finance Act 1992. Any appeals against a decision to refuse an award or about the amount of any award made will be administered in accordance with the following process:

- An applicant (or their representative) who wants an explanation of a Section 13A (1) (c) Relief application decision may request one in writing within one calendar month of notification of the decision;
- An applicant (or their representative) who disagrees with a decision may appeal the decision;
- Any appeal must be made in writing, but must be made within one calendar month of the original decision being notified to the applicant or, if requested, within one calendar month of the written reasons being notified to the applicant, whichever is the later;
- Where possible the Council will try to resolve the matter by explaining the reasons for the decision to the applicant or their representative either verbally or in writing;
- Where agreement cannot be reached, the Chief Executive will review the decision. The review will be suspended if more information is needed from the applicant;
- The applicant will have one calendar month to respond to the request for further information, thereafter the review will be undertaken on the information held;

Upon receipt of a request for a review, the Chief Executive will review the original decision and consider whether there are grounds to change the decision.

The Council will notify a customer of the appeal decision within 20 days of receiving a request for reconsideration.

Where a Council Tax payer is aggrieved by a Council's refusal to abide by its own resolution to award discount regarding a specific class, further appeal may be made to the Valuation Tribunal.

7 Overpayments

- 7.1 If the Council becomes aware that the information contained in an application for a Section 13A (1) (c) Relief was incorrect or that relevant information was not declared, either intentionally or otherwise, the Council may seek to recover the value of any award made as a result of that application. The award will be removed from the relevant council tax account and any resulting balance will be subject to the normal methods of collection and recovery applicable to such accounts.

8. Fraud

- 8.1 The Council is committed to the fight against fraud in all its forms. Any applicant who tries to fraudulently claim a Section 13A discount might have committed an offence under the Fraud Act 2006.
- 8.2 If the Council suspects that fraud may have occurred, the matter will be investigated as appropriate and this could lead to criminal proceedings.

9. Publicity

- 9.1 The Council will publicise the scheme via their council tax literature and their website, and provide information to relevant agencies, stakeholders and other Council services.

9. Monitoring

- 9.1 The Council will monitor Section 13A Discount awards to ensure that this policy has been applied fairly and consistently. This monitoring will be conducted by the Revenues Team.
- 9.2 The Governance and Resources Committee will retain an overview of the policy and will receive an annual report on application of the Policy.

Approved 24 January 2019