



# **EASTLEIGH BOROUGH COUNCIL**

## **COUNCIL TAX**

### **DISCRETIONARY REDUCTION IN LIABILITY POLICY**

# CONTENT

<b>Introduction</b> .....	<b>1</b>
<b>Exceptional Financial Hardship</b> .....	<b>2</b>
<b>Crisis – Flood, Fire etc</b> .....	<b>3</b>
<b>Other Circumstances</b> .....	<b>4</b>
<b>Changes in circumstances</b> .....	<b>5</b>
<b>Duties of the applicant and the applicant’s household</b> .....	<b>6</b>
<b>The award and duration of a reduction in liability</b> .....	<b>7</b>
<b>Payment</b> .....	<b>8</b>
<b>Reductions in Council Tax liability granted in error or incorrectly</b> .....	<b>9</b>
<b>Notification of an reduction in liability</b> .....	<b>10</b>
<b>Appeals</b> .....	<b>11</b>
<b>Fraud</b> .....	<b>12</b>
<b>Complaints</b> .....	<b>13</b>
<b>Policy Review</b> .....	<b>14</b>

## **1 Introduction**

1.1 Section 13A 1c of the Local Government Finance Act 1992, provides the Council with additional discretionary powers to enable it to reduce the Council Tax liability where statutory discounts, exemptions and reductions do not apply.

1.2 These discretionary awards can be given to:

- Individual Council taxpayers;
- Groups of Council taxpayers defined by a common set of circumstances;
- Council taxpayers within a defined area: or
- To all Council taxpayers within the Council's area.

1.3 The legislation states the following:

*.....in any case, may be reduced to such extent or, if the amount has been reduced under S13a 1 a (Council Tax Reduction Scheme) such further extent as the billing authority for the area in which the dwelling is situated thinks fit.....*

1.4 The provision allows the Council the discretion to provide assistance to taxpayers where either the existing legislation does not provide a discount, exemption or reduction or in such circumstances where the Council feels that the level of discount; exemption or reduction is insufficient given the circumstances.

1.5 When deciding on whether to grant a discretionary award, the Council will consider each application on its merits. Principles of reasonableness will apply in all cases with the authority deciding each case on relevant merits.

1.6 Any decision made will be without reference to any budgetary considerations notwithstanding the fact that any awards must be balanced against the needs of local taxpayers who will ultimately pay for a reduction in Council Tax income.

1.7 Likewise the period of any reduced liability will be considered in conjunction with the individual circumstances of the Council taxpayer.

1.8 For the purposes of administration, the decision to grant any reduction in liability shall be considered within the following categories:

## **2 Exceptional Financial Hardship**

2.1 In accordance with Section 13A 1a of the Local Government Finance Act 1992, the Council has a Council Tax Reduction Scheme which provides support, through a discount, to those deemed to be within financial need. The Scheme has been designed to take into account the financial and specific circumstances of individuals through the use of applicable amounts, premiums and income disregards.

- 2.2 Applications will be accepted under this part of the policy for people who have qualified for support under the Council Tax Reduction Scheme but who are still experiencing severe financial hardship. Other taxpayers may also apply, however the Council would normally expect the taxpayer to apply for Council Tax Reduction in any case.
- 2.3 As part of the process of applying for additional support, all applicants must be willing to undertake **all** of the following:
- a. Make a separate application, in writing, for assistance;
  - b. Provide full details of their income and expenditure;
  - c. Satisfy the Council that the taxpayer is not able to meet their full Council Tax liability or part of their liability;
  - d. Accept assistance from either the Council or third parties such as the CAB or similar organisations to enable them to manage their finances more effectively including the termination of non-essential expenditure;
  - e. Accept identification of potential changes in payment methods and arrangements to assist the applicant;
  - f. Assist the Council to minimise liability by ensuring that all discounts, exemptions and reductions are properly granted;
  - g. Demonstrate that all reasonable steps have been taken to meet their full Council Tax liability including applications for employment or additional employment, alternative lines of credit;
  - h. Confirm that the taxpayer has no access to assets that could be realised and used to pay the Council Tax and benefits, Council Tax Support, discounts and exemptions;
  - i. Provide evidence that the taxpayer and where applicable his family have maximised their income through the application for other welfare benefits, cancellation of non-essential contracts and outgoings and identifying the most economical tariffs for the supply of utilities and services generally.
- 2.4 The Council will be responsible for assessing applications against this policy and an officer will consider the following factors when applying this policy:
- a. Current household composition and specific circumstances including disability or caring responsibilities;
  - b. Current financial circumstances;
  - c. Determine what action(s) the applicant has taken to alleviate the situation;
  - d. Consider alternative means of support that may be available to the applicant by:
    - i. re-profiling Council Tax debts or other debts;
    - ii. applying for a Discretionary Housing Payment for Housing Benefit (where applicable);
    - iii. maximising other benefits;
    - iv. determining whether in the opinion of the decision maker the spending priorities of the applicant should be re-arranged.

### **3 Crisis – Flood, Fire etc.**

- 3.1 The Council will consider requests for assistance from Council taxpayers who, through no fault of their own, have experienced a crisis or event that has made their property uninhabitable e.g. due to fire or flooding, where they remain liable to pay Council Tax and for which they have no recourse for compensation nor have recourse to any statutory exemptions or discounts.
- 3.2 All such requests must be made in writing detailing the **exact** circumstances of why reduction in the liability is required and specifying when the situation is expected to be resolved.
- 3.3 The Council will consider applications on a case-by-case basis in consultation with other organisations as appropriate. Any reduction will be applied where they remain liable to pay Council Tax and for which they have no recourse for compensation nor to any statutory exemptions or discounts or where the crisis or event is not covered by any insurance policy. The Council will not consider requests from taxpayers where government guidance or policy provides for a reduction in liability in specific circumstances for example, flood relief schemes.

### **4 Other Circumstances**

- 4.1 The Council will consider requests from Council taxpayers for a reduction in their liability based on other circumstances, not specifically mentioned within this document. However the Council must be of the opinion that the circumstances relating to the application warrant further reduction in their liability for Council Tax having regard to the effect on other Council taxpayers.
- 4.2 No reduction in liability will be granted where any statutory exemption or discount could be granted.
- 4.3 No reduction in liability will be granted where it would conflict with any resolution, core priority or objective of the Council.

### **5 Changes in circumstances**

- 5.1 The Council may revise any discretionary reduction in liability at any time where the applicant's circumstances or situation has changed or where the Council considers it appropriate to do so having regard to other Council priorities.
- 5.2 The taxpayer agrees that he/she must inform the Council immediately in writing about any changes in their circumstances which might affect the claim for assistance under this policy. Failure to do so may result in the withdrawal of the reduction granted for the year and the requirement to repay any outstanding amount to the Council. All changes in circumstances should be notified within 21 days in accordance with the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 as amended.

## **6 Duties of the applicant and the applicant's household**

- 6.1 A person claiming any discretionary reduction in liability must:
- Provide the Council with such information as it may require to make a decision;
  - Tell the Council, in writing, of any changes in circumstances that may be relevant to their ongoing claim; and
  - Provide the Council with such other information as it may require in connection with their claim.

## **7 The award and duration of a reduction in liability**

- 7.1 Both the amount and the duration of the award are determined at the discretion of the Council, and will be done so on the basis of the evidence supplied and the circumstances of the claim.
- 7.2 The start date of such a payment and the duration of any payment will be determined by the Council.
- 7.3 In any event, the start date of any award will not be earlier than the 1 April in the year in which the application for assistance under this policy is received by the Council and the maximum length of the award will not exceed the end of the financial year in which the award is given.
- 7.4 The maximum award period referred to in 7.3 above will not exceed one financial year although further applications will be considered on their own merit.

## **8 Payment**

- 8.1 In line with legislation, any award shall be granted as a reduction in the liability of the Council Tax Payer thereby reducing the amount of Council Tax payable.

## **9 Reductions in Council Tax liability granted in error or incorrectly**

- 9.1 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 amount will be recovered from Council taxpayers account in the normal way.

## **10 Notification of an reduction in liability**

- 10.1 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 their appeal rights.

## **11 Appeals**

- 11.1 Appeals against the Council's decision may be made in accordance with Section 16 of the Local Government Finance Act 1992.
- 11.2 The Council taxpayer must in the first instance write to the Council outlining the reason for their appeal.
- 11.3 Where an appeal is received, an officer other than the original decision maker, will reconsider the decision and notify the Council taxpayer accordingly.
- 11.4 Where the Council taxpayer remains aggrieved, a further appeal can then be made to the Valuation Tribunal. This further appeal should be made within 2 months of the decision of the Council not to grant any reductions. Full details can be obtained from the [Valuation Tribunal](#)

## **12 Fraud**

- 12.1 The Council is committed to protecting public funds and ensuring funds are awarded to the people who are rightfully eligible to them.
- 12.2 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.
- 12.3 Where the Council suspects that such a fraud may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings being instigated.

## **13 Complaints**

- 13.1 The Council's '[Compliments and Complaints Procedure](#)' will be applied in the event of any complaint received, in writing, about this policy.

## **14 Policy Review**

- 14.1 This policy will be reviewed on a regular basis and updated as appropriate to ensure it remains fit for purpose. However, a review may take place sooner should there be any significant changes in legislation.

Prepared by: Loraine Radford  
Designation: Head of Revenue & Benefits  
Date: 27 January 2015