Vale of Glamorgan Council

Discretionary Council Tax Reduction Policy

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Section 1 - Introduction

1.1 This policy has been adopted to provide assistance to council taxpayers where there is clear evidence that an individual or group of individuals have exceptional circumstances which are not as a result of negligence on their part.

1.2 The policy will be administered by the Council and all council taxpayers will be notified of the availability of the policy within the explanatory notes that are available on the Council's website. The appropriate web link will be provided with each council tax bill issued.

1.3 This policy specifically alludes to the grant of Discretionary Council Tax Reduction in accordance with the provisions contained in section 13A (1) (c) of the Local Government Finance Act 1992.

1.4 It is proposed that the Discretionary Council Tax Reduction will apply in exceptional circumstances, such as crisis situations and exceptional financial hardship and that any application under this policy will be considered from 1st April 2019.

Section 2 - Legal Background

2.1 Under Section 13A (1) (c) of the Local Government Finance Act 1992 (as inserted by Section 10 of the Local Government Finance Act 2012), the Council has the power to reduce liability for council tax in relation to individual cases or class(es) of cases that it may determine and where it is considered appropriate to do so.

A summary of Section 13A (1) (c) is set out below:

- Where a person is liable to pay council tax in respect of any chargeable dwelling, the billing authority for the area in which the dwelling is situated may reduce the amount which he or she is liable to pay to such extent as it thinks fit.
- The power under subsection (1) includes the power to reduce an amount to nil.
- The power under subsection (1) may be exercised in relation to particular cases or by determining a class of case in which liability is to be reduced to an extent provided by the determination.

2.2 The cost of awarding Section 13A (1) (c) Discretionary Council Tax Reduction must be funded from within the total income generated by council tax.

2.3 As a consequence of this, the Council will only consider using its powers to reduce council tax liability for any council taxpayer or class of payer in exceptional circumstances.

2.4 Each case will be determined on its own merits based on the application form and supporting information.

Section 3 - Eligibility Guidelines

3.1 Section 13A (1) (c) allows the Council the discretion to provide assistance to council 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 or reduction is insufficient given the exceptional circumstances involved. When deciding on whether to grant a discretionary award, the Council will consider each application on its merits.

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. Likewise, the period of any reduced liability will be considered in conjunction with the circumstances of the council taxpayer. For the purposes of administration of the scheme, the Council will use its discretionary powers to grant a reduction in council tax within any of the following categories: -

a) Exceptional Financial Hardship

In accordance with Section 13A (1) (b) of the LGFA 1992, this Council has a Council Tax Reduction Scheme which provides support, through a reduction, to those who need assistance to meet their council tax liability. The scheme is designed to take account of both the financial position and the specific circumstances of individuals, including the composition of their household.

Applications will still be accepted under the Discretionary Council Tax Reduction Policy for people who have qualified for support under the Council Tax Reduction Scheme but remain in exceptional financial hardship. In the first instance the Council would expect a taxpayer to ascertain if any discounts, exemptions or eligibility for a Council Tax Reduction under the Council Tax Reduction Scheme will apply before an application is considered.

The application for Discretionary Council Tax Reduction must be made by the person who is liable for the council tax payments or their advocate/appointee (with written consent) detailing the information required in the application.

As part of the application process under part (a) of the Discretionary Council Tax Reduction Policy, all applicants must undertake **all** of the following: -

- The appropriate application form for Discretionary Council Tax Reduction must be submitted completing all relevant sections.
- Details of other occupiers must also be advised in the application.
- Applicants must provide full details of income and expenditure with appropriate evidence to support the information contained in their application.
- The taxpayer must confirm that they have no access to assets that could be realised and used to pay the council tax liability.

The following factors will be considered when assessing the application under Part (a) of this policy: -

- The Council and applicant will explore other alternatives for payment, such as deferred payment arrangements and reductions in non-essential expenditure to meet the outstanding liability.
- Current financial circumstances.
- The circumstances of the applicant at the time the council tax liability arose.
- Determine what action(s) the applicant has taken to alleviate the situation;
- Consider alternative means of support that may be available to the applicant, such as applying for a Discretionary Housing Payment to meet rent costs and maximising other state benefits where applicable.

b) Crisis Situation (e.g. Fire or Flood)

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 dwelling 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.

All such requests must be made in writing detailing the exact circumstances of any reduction in the liability required and specifying when the situation is expected to be resolved.

The Council will consider applications on a case by case basis in consultation with other services or organisations as appropriate. Any reduction will be applied where they remain liable to pay council tax and for which they have no recourse to any statutory exemptions or where the crisis or event is not covered by any insurance policy.

c) Other Circumstances

The Council will consider requests from council taxpayers for a reduction in their liability based on other exceptional circumstances not specifically mentioned within this policy. 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.

No reduction in liability will be granted where a statutory exemption or discount could be granted or where it would conflict with any resolution, core priority or objective of the Council.

3.2 Changes in Circumstances

The Council may revise any discretionary reduction provided under this policy where the applicant's circumstances have changed.

The taxpayer agrees that they will inform the Council immediately either by telephone, by email or in writing about any changes in their circumstances which might affect the claim 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 must be notified within 21 days.

3.3 Award and Duration

Both the amount and the duration of the award will be determined at the discretion of the Council and will be done so on the basis of the evidence supplied and the circumstances and merits of each application received.

The award will normally commence from the date of the application and will only be backdated where the council taxpayer can show good cause as to why they did not apply at the relevant time.

Any award that is made will be on a "one off" basis and will either be for part of the charge or the full charge. There will be no continuation of the award beyond the end of the financial year, unless a further application is received and approved.

Any awards that are made will be directly credited to the council tax account of the individual or individuals concerned, thereby reducing the amount of council tax payable.

3.4 Principles of the Policy

All applications will be treated on their own merits although the following principles will be applied in each case:

- There must be clear evidence of exceptional circumstances which are not as a result of negligence on the applicant's part.
- Any other reductions from the council tax charge that may be applicable must have already been claimed by the applicant.
- The council taxpayer must have taken reasonable steps to resolve the situation before making the application.
- The applicant must provide any appropriate information that is requested by the Council in respect of the claim within 28 days of receipt of the request from the Council.
- The council taxpayer does not have access to other assets that could be used to pay the charge.

Section 4 Claim for Discretionary Council Tax Reduction

4.1 Claims can either be made in writing by the applicant concerned or their advocate or appointee with their written consent.

4.2 The application must be made promptly and relate to the current financial year, unless the council taxpayer can show good cause as to why they did not apply at the relevant time. The application must be supported by all appropriate evidence. Depending on the detail of the request the Council may then write and request supplementary information which must

be provided within 28 days.

4.3 Applications should either be made by post or email to counciltax@valeofglamorgan.gov.uk

Section 5 Determination of Applications

5.1 Determination of entitlement/awards will be made on the recommendation of the Exchequer Service.

5.2 Through delegated powers, senior officers within the Exchequer Service will consider any applications received.

5.3 Determination of appeals against the initial decision of the Exchequer Service will be made by the Head of Finance and the Leader.

Section 6 Notification

6.1 Once all the appropriate information is received the Council will make a decision within 28 days or as soon as is reasonably practicable thereafter.

6.2 The Council will then write to the applicant to notify them either of the award that is to be made or to explain to them why they do not qualify.

Section 7 - Appeals

7.1 The Council will accept an applicant's written request for a further review of its decision as long as this is received within 28 days of the original decision where the opportunity will be available to provide additional information where appropriate.

7.2 If the decision is challenged by the applicant the request will then be considered further by the Head of Finance and the Leader and a reply will be issued within 2 months notifying the applicant concerned of the decision.

7.3 If the initial decision is not reversed an appeal form will be enclosed with the decision letter allowing the applicant to make a further appeal to the Valuation Tribunal for Wales who are independent from the Council. Should the applicant decide to progress the appeal then the form must be completed and returned to the Valuation Tribunal within 2 months of the final decision letter.

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