

Meeting of:	Cabinet
Date of Meeting:	Thursday, 29 September 2022
Relevant Scrutiny Committee:	Corporate Performance and Resources
Report Title:	Council Tax Discretionary Relief for Ukrainian Nationals
Purpose of Report:	To gain Cabinet's approval to grant Discretionary Council Tax Reduction in accordance with the provisions contained in section 13A of the Local Government Finance Act 1992 in respect of a class of individuals defined as Ukrainian Nationals.
Report Owner:	Leader and Cabinet Member for Performance and Resources
Responsible Officer:	Matt Bowmer - Head of Finance, Resources
Elected Member and Officer Consultation:	No elected Members have been consulted Operational Manager Exchequer Services
Policy Framework:	This is a matter for executive decision by Cabinet
Executive Summary:	<ul style="list-style-type: none"> This report proposes that Cabinet designates Ukrainian Nationals as a class of person entitled to support under the Council's Discretionary Council Tax Reduction policy (Appendix 1), that was approved by Cabinet on 15th April, 2019 and reaffirmed by Cabinet on 9th June, 2022.

Recommendations

1. That Cabinet designates Ukrainian Nationals as a class of case entitled to support from 1st April, 2022 to 31st March, 2023, under Section 3 (c) of the Council's Discretionary Council Tax Reduction policy.
2. That Discretionary Council Tax Reduction will only be awarded to Ukrainian Nationals after all other discounts and exemptions that are applicable have been awarded.
3. That the award will commence from the date the application is received and any backdated period will be considered depending on the merits of each individual application.
4. That the amount of the award will not exceed the amount that would have been awarded under the Council Tax Reduction Scheme (CTRS) had the class described as "Ukrainian Nationals" been able to claim CTRS in accordance with current statute.

Reasons for Recommendations

- 1-4. To determine a class of cases that are entitled to claim a reduction under Section 3 (c) of the Council's Discretionary Council Tax Reduction policy in accordance with the provisions contained in section 13A (1) (c) of the Local Government Finance Act 1992.

1. Background

- 1.1 The Council Tax Reduction Scheme is a national scheme throughout Wales which supports individuals and families on a limited income, which Welsh Government are unable to amend in-year. As such, no support can be given to Ukrainian Nationals under the criteria specified within the existing Regulations.
- 1.2 It is the intention of Welsh Government to change the current Council Tax Reduction Scheme Regulations to allow Ukrainian Nationals to claim support from 1st April, 2023.
- 1.3 It is therefore appropriate to advise Cabinet of Welsh Government's request for Local Authorities in Wales to use their discretionary powers to support people from the Ukraine who live in separate accommodation, in order to have their council tax liability reduced to the same extent as they would if they were eligible for support under the Council Tax Reduction Scheme.

2. Key Issues for Consideration

- 2.1 Section 13A (1) (c) of the Local Government Finance Act 1992 (introduced by section 76 of the Local Government Act 2003 and substituted by section 10 of the Local Government Finance Act 2012), provides the Council with the discretion to reduce liability for council tax in relation to individual cases or class(es) of cases that it may determine.

- 2.2 The power under section 13A (1) (c) includes the power to reduce an amount to nil and may be exercised in relation to a particular case or by determining a class of case in which liability is to be reduced to an extent provided by the determination.
- 2.3 Any determination made under section 13A (1) (c) for a class of case, or an individual case can be limited to the amount that would have been awarded under the Council Tax Reduction Scheme had that individual been eligible for support under the scheme.
- 2.4 The procedure adopted by the Council for determining applications received in relation to discretionary reductions under section 13A (1) (c) was approved by Cabinet on 15th April, 2019 and reaffirmed on 9th June, 2022.
- 2.5 Section 3 (c) of the Council's Discretionary Council Tax Reduction policy states that the Council will consider requests from Council taxpayers for a reduction in their liability based on other exceptional circumstances not specifically mentioned within the policy.
- 2.6 Due to the exceptional circumstances surrounding the events in Ukraine and the inability of Ukrainian Nationals to currently apply for assistance through the Council Tax Reduction Scheme, then assistance could be provided through the Council's discretionary powers in accordance with Section 13A (1) (c) of the Local Government Finance Act 1992.

3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

- 3.1 Allowing Ukrainian Nationals, to apply for assistance through the Council's Discretionary Council Tax Reduction Scheme, will help to meet the needs and expectations of our citizens who find themselves in exceptional circumstances.
- 3.2 The awarding of Discretionary Council Tax Reductions will provide financial assistance to Ukrainian Nationals who would otherwise be unable to meet their council tax liability in times of crisis. This contributes to the Well-being outcome of a Healthier Wales by assisting with the mental wellbeing of citizens.

4. Climate Change and Nature Implications

- 4.1 There would be no climate change or nature implications should Ukrainian Nationals be designated as a class of case entitled to support under the Council's Discretionary Council Tax Reduction policy.

5. Resources and Legal Considerations

Financial

- 5.1** The cost of awarding Section 13A Discretionary Council Tax Reductions has to be funded from within the total income generated by Council Tax. As a consequence of this, the Council will only consider using its powers to reduce council tax liability for any Council tax payer or class of payer in exceptional circumstances.
- 5.2** Since the introduction of the policy in 2019, the overall total cost of awarding discounts under Section 13A (1) (c) has remained within the anticipated maximum expenditure of £15,000 per annum. It is likely that this figure will be exceeded during the 2022/23 financial year should the Council award reductions to Ukrainian Nationals as the number of potential applicants is unknown.
- 5.3** As the intention of Welsh Government is to change the existing Council Tax Reduction Scheme Regulations from 1st April, 2023 to allow Ukrainian Nationals to claim Council Tax Reduction, then there would be no additional expenditure in future years.

Employment

- 5.4** None.

Legal (Including Equalities)

- 5.5** The relevant legislative provisions are contained in the Local Government Finance Act 1992.
- 5.6** In relation to the Council's Discretionary Council Tax Reduction policy, a consultation exercise was undertaken between the periods 11th January, 2019 to 1st March, 2019.
- 5.7** The results obtained from the consultation indicated that there was no apparent equality impact on any of the protected equality groups.
- 5.8** The decision to support Ukrainian Nationals under the policy positively impacts upon citizens who find themselves in exceptional circumstances and crisis situations.

6. Background Papers

None.



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.
- 1.5 Applications that are submitted as a result of the COVID19 pandemic will be considered under the category of '**Exceptional Financial Hardship**'.

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.

END

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