

Council Tax Discretionary Discount and Reduction Policy

Report to: **Hub Committee**

Date: **22nd September 2015**

Title: **Council Tax Discretionary Discount & Reduction Policy**

Portfolio Area: **Health and Wellbeing**

Wards Affected: **all**

Relevant Scrutiny Committee: **Overview & Scrutiny (Internal)**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken:
(e.g. referral on of recommendation or implementation of substantive decision)

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Recommendations:

1. The Hub recommends the combined Council Tax Discretionary Discount & Reduction Policy be approved by full Council.

Council Tax Discretionary Discount and Reduction Policy

1. Executive summary

1) The Council can use its discretionary powers to assist persons liable for Council Tax who are facing extreme hardship or distress. This report presents a new policy which incorporates these powers with the Exceptional Hardship Fund which specifically provides additional support to customers in receipt of Council Tax Reduction. This will allow all applications for assistance with Council Tax to be considered under one framework. This will ensure all applicants are treated consistently and fairly.

2. Background

1) Section 13a of the Local Government Finance Act 1992 provides the billing Authority with discretionary powers to reduce Council Tax liability where national discounts and exemptions cannot be applied. Every Council Taxpayer is entitled to make an application for a discretionary Council Tax reduction. It is anticipated that a discretionary reduction will only be granted to Council Taxpayers in exceptional circumstances and will normally be for a short term period. An application for a further award can be made and there will be a review of the application and what actions have been taken since the last award.

2) The Exceptional Hardship Fund forms part of West Devon Borough Council's agreed Council Tax Reduction Scheme for 2014/15 & 15/16 and has been awarded in line with the Council Tax reduction exceptional hardship fund policy. It is normally a short-term emergency fund while the Council Taxpayer seeks alternative solutions. The main features of the fund are as follows

- Awards are discretionary
- Council Taxpayers do not have an automatic right to an award
- Payments are not a payment of Council Tax Reduction
- Council Tax Reduction must be in payment in the week in which an Exceptional Hardship award is made
- West Devon Borough Council may decide that a backdated EHF award is appropriate which could then settle Council Tax arrears. This would be the only circumstance where the EHF could be used to facilitate payment of Council Tax arrears
- EHF awards cannot be made to settle arrears of Council Tax unless due to an award of backdated EHF as set out above.

3) This new policy brings together these two schemes into one policy.

4) The purpose of bringing these schemes together is so that applications can be considered under one framework and therefore removes the need for the applicant to apply under both provisions. It also sets out one financial assessment criteria ensuring that applicants are treated fairly and consistently.

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3. Outcomes/outputs

- 1) By combining the two policies customers need only make a single application for financial hardship.
- 2) Both schemes have common purpose and deliver the following outcomes:
 - A safety net to protect our most vulnerable Council Taxpayers who need additional financial assistance.
 - Enables support to be given to Council Taxpayers who are in financial or other crisis where no other legislative discounts or reliefs exist.
 - Helps Council Taxpayers through personal crisis, difficult events or where there are exceptional circumstances which impacts on their ability to pay.
 - Prevents exceptional hardship
 - Alleviates poverty
 - Helps those who are trying to help themselves
 - Sustains tenancies and prevention of homelessness
 - Keeps families together
 - Encourages and supports people to obtain and remain in employment

This policy does not exclude any additional provision or guidance given by Central Government on particular issues. For example: additional help to residents affected by the flooding in 2013/14.

4. Options available and consideration of risk

- 1) To adopt the new policy, aligning the 2 schemes under one single policy. This will ensure all applications are assessed in one process, thereby preventing duplication, and where appropriate will ensure awards are made with a consistent approach.
- 2) Members can decide to leave both schemes separate with no changes to the existing policies; this would result in claims for both awards being processed separately. There would be a direct impact in productivity, which could lead to delays to the processing of work.

5. Proposed Way Forward

- That Members recommend the adoption of this policy.

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6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	<ul style="list-style-type: none"> Section 13a Local Government Finance Act 1992 (Council Tax) When central Government abolished Council Tax Benefit and devolved support to Local Authorities, where a scheme was adopted it was mandatory to have a published policy. The Policy will ensure we meet existing statutory obligations
Financial		<ul style="list-style-type: none"> Discretionary awards made under Section 13a of the Local Government Finance Act 1992 are funded wholly by WDBC. In 2014/15 a total of £453.20 has been awarded. Awards under the exceptional hardship fund are funded proportionately by all major preceptors. In 2014/15 £18,995.31 has been awarded from a total fund of £19,000
Risk	<p>Separate Policies</p> <p>Inconsistent awards</p> <p>Awards exceed funding</p>	<p>Not combining these 2 schemes could mean that customers are treated differently depending on whether they claim council tax reduction. The joint policy will mitigate this risk.</p> <p>The awarding of funds is done inconsistently by different officers. This can be mitigated by robust monitoring by the Benefits Lead Specialist and cross checking by trained officers to check consistency.</p> <p>Awards cannot be refused based on lack of funds, therefore criteria must be adhered to and awards only made to those in most need throughout the financial year. This will be continuously monitored by the Benefits Lead Specialist.</p>
Comprehensive Impact Assessment Implications		
Equality and Diversity		This policy has high relevance to equality and has a positive or neutral impact on all protected

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		characteristics
Safeguarding		The policy provides a safety net for vulnerable adults and households in financial hardship which may include dependent children.
Community Safety, Crime and Disorder		None
Health, Safety and Wellbeing		Please see comments under safeguarding.
Other implications		

Supporting Information

Appendices:

Appendix A – Council Tax Discretionary Discount & Reduction Policy.

Background Papers:

Local Government Finance Act 1992 Section 13a

Approval and clearance of report

Process checklist	Completed
Portfolio Holder briefed	Yes
SLT Rep briefed	Yes
Relevant Exec Director sign off (draft)	Yes
Data protection issues considered	Yes
If exempt information, public (part 1) report also drafted. (Cabinet/Scrutiny)	n/a
If not on Cabinet Work Programme, Scrutiny offered the opportunity to consider the report	n/a