



South Hams District Council

Council Tax Discretionary Discount Policy

1. Background

- 1.1 The Council Tax Discretionary Discount Policy has been agreed by the Council to assist all residents liable for Council Tax who may be experiencing financial hardship or distress.
- 1.2 This policy is intended to provide temporary assistance to Council Tax payers to help reduce their Council Tax liability in exceptional circumstances and the operation of the policy is at the discretion of the Council.

2. Legislative Powers

- 2.1 Section 13A of the Local Government Finance Act 1992 allows the Council to reduce the amount of council tax payable. It can be considered for individual cases or the Council may determine classes of case in which the council tax liability is eligible for reduction.
- 2.2 Council Tax Reduction is considered under Section 13 A (1) (a) and (2) of the Local Government Finance Act 1992 which requires the Council to have a Local Council Tax Reduction Scheme. The purpose of the LCTRS is to provide means tested financial support to residents on a low income to meet their council tax liability. Details of South Hams District Council's Local Council Tax Reduction Scheme and application form can be found on our website.
- 2.3 Section 13A(1)(c) allows the Council to consider reducing the amount of council tax payable for individuals or classes, even if they have already had a reduction under Section 13A(1) of the Local Government Finance Act 1992.

3. Statement of policy objectives

- 3.1 The purpose of the policy is to specify how the Council will exercise this discretionary power and to set out the factors that will be considered when making a decision on whether to award a council tax discretionary discount or not.
- 3.2 The main objective of a council tax discretionary discount is to offer short term financial assistance to council tax payers who are experiencing exceptional and extenuating circumstances. Each application will be considered on its own merits and all council tax payers will be treated fairly and equally.
- 3.3 The award of a council tax discretionary discount through this policy is intended as a short term emergency measure and is not intended to cover the shortfall between Council Tax and entitlement to Council Tax Reduction, or any other reduction, on a long term basis. Residents receiving Council Tax Reduction can apply for additional support through the Council's Exceptional Hardship Fund.

4. Financial implications

- 4.1 The Council will only consider using its powers to reduce council tax liability for an individual council tax payer or class of council tax payer in exceptional circumstances, because the full cost of the discount is borne by South Hams District Council.

5. Application process

- 5.1 The application must be made by the person liable to pay council tax or someone the application has given explicit authorisation to act on their behalf.
- 5.2 The Council may request any reasonable evidence in support of an application including, and not restricted to, the following:
- The amount of discount being requested (i.e. for a full or part year's council tax);
 - The reason for the application;
 - The period of time the discount is to cover;
 - Steps that have been taken to meet and mitigate the council tax liability;
 - Individual needs and circumstances;
 - Reasonable evidence in support of the application. This may include, but is not limited to the following:
 1. Income and expenditure statements.
 2. Any help which may be available to applicant from other sources.
 3. Any other information in support of the application.

6. Decision making process

- 6.1 Whilst the discretionary discount policy is, by definition, 'discretionary', the Council has a duty to make decisions in accordance with recognised principles of good decision making i.e. administrative law, and in particular to act fairly, reasonably and consistently.
- 6.2 The Principal Revenues Officer will determine all Section 13A 1 (C) applications in consultation with the Head of Revenues and Benefits, with the decision being referred to the Director of Strategic Finance for authorisation.
- 6.3 Each application will be considered on its own merits, however in assessing the application the Council will take into account the following:
- The shortfall between income and expenditure;
 - Any steps taken by the applicant to resolve their situation prior to application;
 - The household, financial and medical circumstances of the applicant, their partner and any other persons in the household;
 - Any household savings or capital;
 - Any special reasons why the applicant needs to occupy the dwelling in respect of which the liability arises;
 - The impact of council tax arrears for the applicant and their household due to vulnerability by reason of age, sickness or disability;
 - Any actions being taken by the applicant to improve or change their financial or personal situation;
 - Any other special circumstances brought to the attention of the Council.
- 6.4 All other possible discounts, including council tax reduction in cases of financial hardship, must have been applied for and awarded before the application will be considered.
- 6.5 A council tax discretionary discount will not be awarded where the amount outstanding is subject to committal proceedings.
- 6.6 Any decision will take into account the interests of all council tax payers in the South Hams district as the discount is wholly funded by the billing authority.
- 6.7 Discounts will generally be made from the date the Council received the application, however the Council will backdate discounts agreed under this policy if it is considered fair and reasonable to do so.

7. Government schemes

- 7.1 As part of the response to the Cost of Living crisis and other significant national events, the Government may require Councils to provide support to residents with their council tax bills through the use of S13A discretionary powers.
- 7.1 Where a reduction relates to a government scheme, the eligibility criteria for the scheme will be as defined by Government. Where further local discretion

is allowed, it will be defined by the Council for that specific purpose. All discretionary decisions are made at the absolute discretion of the Council.

8. Amount of discount

- 8.1 The Council will determine how much to award based on the applicant's circumstances and each application will be assessed on its own merits.
- 8.2 Any discount awarded is entirely at the Council's discretion.
- 8.3 The maximum amount of discount to be awarded will be no more than the amount of council tax outstanding after all other discounts have been awarded. As this is a discretion which is only exercised in exceptional circumstances, this will be a 'one-off' award.
- 8.4 The discount will be granted by crediting the value to the council tax account, reducing the amount payable. Applicants will not receive a cash or any other type of payment.

9. Notification of decisions

- 9.1 The Council will notify the applicant in writing of the outcome of their application within 21 days of receiving sufficient information to make a decision.
- 9.2 Where the application is successful, the applicant will receive notification of:
 - The amount of the discount;
 - Any steps the applicant should take or conditionality attached to the award;
 - The start and end date of the discount;
 - Their duty to report any change of circumstances that may affect the award;
 - The recoverability of any award.
- 9.3 Where an application is not successful, the applicant will be notified of the procedure to be followed if they disagree with the decision.

10. Review of Decision

- 10.1 Under the Local Government Finance Act 1992, there is no right of appeal against the Council's use of discretionary powers. However, the Council will accept an applicant's written request for a further review of its decision, if it is made within one month of the date of notification of the decision.
- 10.2 The request for review will be considered by a person other than the person who made the original decision. They will consider whether the applicant has provided any additional information against the required criteria that will justify a change to the original decision.
- 10.3 If the review concludes not to revise the original decision, this decision is final and may only be challenged by way of an appeal to the Valuation Tribunal or by judicial review.

11. Fraud

- 11.1 If the Council becomes aware that the information contained in the application was incorrect or that relevant information was not declared, either intentionally or otherwise, the Council will seek to recover the value of any award made as a result of that application. The award will be removed from the council tax account and any resulting balance will be subject to the normal methods of collection and recovery which may incur additional costs.
- 11.2 The Council is committed to the fight against all forms of fraud. Any applicant who attempts to claim a Section 13A discount may have committed an offence under the Fraud Act 2006. If the Council suspects that fraud may have occurred, the matter will be investigated and could lead to criminal proceedings.

12. Policy Review

- 12.1 The policy will be reviewed on an annual basis to ensure it remains valid, effective and relevant.