

**SOUTH HAMS DISTRICT COUNCIL**

<b>NAME OF COMMITTEE</b>	<b>Executive</b>
<b>DATE</b>	<b>5 March 2015</b>
<b>REPORT TITLE</b>	<b>Council Tax Discretionary Discount and Reduction Policy</b>
<b>REPORT OF</b>	<b>Customer Service Manager</b>
<b>WARDS AFFECTED</b>	<b>All</b>

**Summary of report:**

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 mean that SHDC has one set of financial assessment criteria ensuring applicants are treated fairly and consistently.

The Council Tax Discretionary Discount and Reduction Policy replaces the Council Tax Reduction Exceptional Hardship Fund Policy.

**Financial implications:**

Discretionary awards made under Section 13a of the Local Government Finance Act 1992 are funded wholly by SHDC. In 2014/15 £1,731.62 has been awarded under these powers in the financial year to date.

Awards under the Exceptional Hardship Fund are funded proportionately by all major preceptors. In 2014/15 £16,115.04 has been awarded so far from a total fund of £28,416.00.

**RECOMMENDATIONS:**

**The Executive recommends to Council that the Council Tax Discretionary Discount and Reduction Policy be approved.**

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## **1. BACKGROUND**

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.

Applications for awards under these powers are currently dealt with by the Leader of the Council and the Finance Community of Practice Lead under delegated powers.

The Exceptional Hardship Fund forms part of SHDC's agreed Council Tax Reduction Scheme for 2014/15 and 2015/16 and has been awarded in line with the Council Tax Reduction Exceptional Hardship Fund Policy.

The proposed Council Tax Discretionary Discount and Reduction Policy brings together these two schemes into one policy.

The purpose of bringing the two discretionary schemes under the one policy allows for applications to be considered under the one framework and therefore removes the requirement for the Council Taxpayer having to apply under both discretionary provisions. It also means that SHDC has one financial assessment criteria ensuring that applicants are treated fairly and consistently.

## **2. ISSUES FOR CONSIDERATION**

By combining the two policies customers need only make a single application for financial hardship.

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.

## **3. LEGAL IMPLICATIONS**

The relevant powers for this report are contained within the following legislation;

Section 13a Local Government Finance Act 1992 (Council Tax)

#### 4. FINANCIAL IMPLICATIONS

Discretionary awards made under Section 13a of the Local Government Finance Act 1992 are funded wholly by SHDC. In 2014/15 £1,731.62 has been awarded under these powers in the financial year to date.

Awards under the Exceptional Hardship Fund are funded proportionately by all major preceptors. In 2014/15 £16,115.04 has been awarded so far from a total fund of £28,416.00.

#### 5. OTHER CONSIDERATIONS

<b>Corporate priorities engaged:</b>	Community Life
<b>Statutory powers:</b>	Section 13a Local Government Finance Act 1992 (Council Tax)
<b>Considerations of equality and human rights:</b>	This policy has high relevance to equality and has a positive or neutral impact on all protected characteristics
<b>Biodiversity considerations:</b>	None
<b>Sustainability considerations:</b>	Encourages and supports people to obtain and remain in employment
<b>Crime and disorder implications:</b>	None
<b>Background papers:</b>	None
<b>Appendices attached:</b>	Appendix A – Council Tax Discretionary Discount and Reduction Policy

**RISK MANAGEMENT**

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
1	Separate policies	Not combining these two schemes could mean that customers get treated differently depending on whether they claim CTR or not	4	1	4	↑	Creation of policy	Customer Service Manager
2	Inconsistent awards	The awarding of funds is done inconsistently by officers	2	2	4	↑	Awards are monitored by Customer Service Manager. Cross checking done by trained officers to check consistency.	Customer Service Manager
3	Awards exceed funding	Awards exceed funding available	2	2	4	↑	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. Monitored by CSM	Customer Service Manager

**Direction of travel symbols** ↓ ↑ ↔