

REPORT TO: Executive Board

DATE: 7 April 2016

REPORTING OFFICER: Strategic Director – Community and Resources

PORTFOLIO: Resources

SUBJECT: Council Tax Section 13A Discount Policy Statement

WARD(S): Borough-wide

1. PURPOSE OF REPORT

1.1. To consider the adoption of a policy statement relating to discounts offered under Section 13A of the Local Government Finance Act 1992 (as amended).

2. RECOMMENDED: That the Council Tax Section 13A Discount Policy Statement presented in the Appendix, be approved.

3. SUPPORTING INFORMATION

3.1 Section 13A of the Local Government Finance Act 1992 (as amended) provides the Council with discretionary powers to reduce the amount of council tax liability, in exceptional circumstances where national discounts and exemptions cannot be applied. The Council is required to have a Section 13A Discount policy statement in place.

3.2 This would only be applied in extreme, exceptional and **unforeseen circumstances** and would then be considered on a case-by-case basis or for several taxpayers who may fall into a group due to similar circumstances e.g. those who have had to leave their home due to flooding or fire.

3.3 Council tax legislation provides a wide range of discounts, exemptions and reductions that have the effect of reducing the amount of council tax due. Applicants will therefore be expected to have exhausted all other options before making an application under the Section 13A Policy.

3.4 The Policy Statement presented in the Appendix outlines the process for making applications and also sets out the decision making process and arrangement for appeals.

4.0 POLICY IMPLICATIONS

4.1 The policy statement presented in the Appendix would meet the requirements of Section 13A of the Local Government Finance Act 1992 (as amended).

5.0 FINANCIAL IMPLICATIONS

5.1 There is no Government funding associated with discounts awarded under Section 13A. The cost of such discounts would therefore be met in full by the council tax payer. Any award must therefore meet the underlying principle of offering value for money to the council taxpayer.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 **Children and Young People in Halton**

6.2 **Employment, Learning and Skills in Halton**

6.3 **A Healthy Halton**

6.4 **A Safer Halton**

6.5 **Halton's Urban Renewal**

Depending upon the specific circumstances, the award of discounts under the Section 13A Policy may have the potential to affect all of the Council priorities.

7.0 RISK ANALYSIS

7.1 The number and cost of Section 13A awards will be monitored, to ensure the total cost does not become excessive.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 The eligibility criteria and application process relation to the Section 13A Policy will ensure that no particular groups of individuals are excluded.

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Document	Place of Inspection	Contact Officer
Section 13A Local Government Finance Act 1992 (as amended)	Revenues & Benefits & Customer Services Division Kingsway House Widnes	Peter McCann

Council Tax
Section 13A Discount
Policy Statement

1.0 INTRODUCTION

- 1.1 Section 13A of the Local Government Finance Act 1992 (as amended) provides the Council with discretionary powers to reduce the amount of council tax liability, in exceptional circumstances where national discounts and exemptions cannot be applied.
- 1.2 The Council would only apply this discount in extreme, exceptional and **unforeseen circumstances** and it would be considered on a case-by-case basis or for several taxpayers who may fall into a group due to similar circumstances e.g. those who have had to leave their home due to flooding or fire.
- 1.3 Council tax legislation provides a wide range of discounts, exemptions and reductions that have the effect of reducing the level of council tax due. Applicants will therefore be expected to have exhausted all other options before making an application under the Section 13A policy.

2.0 STATEMENT OF OBJECTIVES

- 2.1 The Council recognises the need to be flexible and respond to the needs of taxpayers within the Borough, in order to support a strong and sustainable local community. To this end a range of discounts, exemptions and reductions are provided to support taxpayers in difficult circumstances.
- 2.2 Section 13A discount awards will therefore only be made in extreme, exceptional and **unforeseen circumstances**, which threaten their ability to pay council tax. They are most likely to be as a result of a natural disaster or exceptional event, for example where taxpayers are forced to leave their home for a period due to flooding or fire. Section 13A discount awards are unlikely to be made as a result of financial hardship, except where it results directly from a natural disaster or exceptional event.
- 2.3 Given that the cost of any such award has to be met by the Borough's council taxpayers, any applications must meet the underlying principle of offering value for money to council tax payers. This will be achieved by asking for a range of information to support each application.
- 2.4 From time to time Government may introduce a specific scheme in response to an event such as a large scale natural disaster (e.g. flooding). Where such schemes are introduced, funding is normally fully met by Government without impact upon the local council taxpayer.
- 2.5 Any such schemes that are introduced, in so far as they fall to be administered under Section 13A of The Local Government Finance Act 1992 (as amended), will be administered in accordance with instructions and guidance set out by Government.

2.6 The Council will consider awarding a Section 13A discount to applicants who meet the qualifying criteria set out below.

3.0 APPLICATION PROCESS

3.1 The features of the Council's Section 13A Discount Policy are that:

- It is discretionary.
- An applicant does not have the statutory right to a payment.
- The operation of the scheme is for the Council to determine.
- Other than the normal appeal against the application of discretionary function by Judicial Review, there is no right to a statutory appeal of any application decision. In the interest of fairness the Council will operate an internal review procedure for appeals in a non-discriminatory way.

3.2 All applications shall be made in writing, written or by email, by the council taxpayer or by somebody authorised to act on their behalf. It should be submitted to the Council Tax Team under the title of Section 13A Discount Application. Applications may only relate to the current council tax year, and should include the following information:

- The reason for the request including the nature of the extreme, exceptional, and unforeseen event(s) which has caused the taxpayer hardship;
- The estimated period for which the discount is required;
- The alternative steps which have already been taken to meet or mitigate the council tax liability;
- The cost of such a Section 13A discount to the Council.

4.0 ELIGIBILITY CRITERIA

4.1 There are no pre-set criteria for the award of a Section 13A council tax discount. Each application will therefore be considered on its individual merits on a case-by-case basis or for several taxpayers who may fall into a group due to similar circumstances.

4.2 The Council will only consider the award of a Section 13A discount once all other available discounts, exemptions and reductions have been explored by the taxpayer.

4.3 The award of a Section 13A discount will only be made in extreme, exceptional and **unforeseen circumstances**, which threaten the taxpayer's ability to pay their council tax. They are most likely to be as a result of a natural disaster or exceptional event, for example where taxpayers are forced to leave their home for a period due to flooding or fire. Section 13A discount awards are unlikely to

be made as a result financial hardship, except where it results directly from a natural disaster or exceptional event.

- 4.4 In deciding whether to award a Section 13A discount, the Applicant's particular circumstances will be considered. The Applicant will therefore be asked to provide supporting evidence to substantiate the answers that they give to the questions above. This may include, but is not limited to:
- Income and expenditure statements;
 - Any sources of credit such as debit cards, credit cards, store cards, overdraft facilities and loan arrangements;
 - Any financial assistance which is likely to be available to the Applicant from other sources.
- 4.5 Decisions on eligibility for an award will be made by the Operational Director, Finance. All awards will be made by crediting the discount value to the council tax account to which it applies.
- 4.6 The Council will notify the Applicant of the outcome, in writing, within 20 working days of the date the decision is made. Where the request for an award under Section 13A is unsuccessful or is not met in full, the Council will explain the reasons why the decision was made.
- 4.7 In all cases the discount will end;
- (a) at the end of the financial year, or;
 - (b) on the same day as the closing of the Applicant's council tax account, or;
 - (c) where information indicates the Applicant's circumstances or that of another household member, have changed.

5.0 THE RIGHT TO APPEAL

- 5.1 Section 13A awards are administered under the Local Government Finance Act 1992 (as amended) and are not subject to a statutory appeals process. Appeals will therefore be decided internally by the Council, regarding either the decision not to make an award or the amount of an award.
- 5.2 An applicant who requires further explanation of a Section 13A discount decision, must request this in writing within 20 days of notification of the decision.
- 5.3 An applicant who disagrees with a decision may appeal within 20 days of the original decision. Appeals will be considered by the Strategic Director Community & Resources. The outcome of the appeal will be provided to the Applicant within 20 working days of the appeal being considered.

- 5.4 Where the Applicant remains aggrieved, they may make a further appeal to the Valuation Tribunal. This is an independent Government organisation which considers disputes relating to council tax and business rates. This further appeal must be made within two months of the Council's decision not to grant any reduction. Full details can be obtained from the Valuation Tribunal www.valuationtribunal.gov.uk/home.aspx

6.0 OVERPAYMENTS

- 6.1 If the Council becomes aware that the information contained in an application for a Section 13A discount award was incorrect or that relevant information was not declared, either intentionally or otherwise, the Council may seek to recover the value of any award made as a result of that application.
- 6.2 The award will be removed from the relevant council tax account and any resulting balance will be subject to the normal methods of collection and recovery applicable to such accounts.

7.0 FRAUD

- 7.1 The Council is committed to prevent fraud. Any applicant who tries to fraudulently claim a Section 13A discount might have committed an offence under the Fraud Act 2006. If the Council suspects that fraud may have occurred, the matter will be investigated as appropriate and this could lead to criminal proceedings.