

## **Policy for the Award of Discretionary Council Tax Discounts (Section 13a (1) (C))**

### **1. Introduction**

- 1.1 Section 13a (1) (c) of the Local Government Finance Act 1992 allows councils to reduce the amount of council tax payable. It can be used for individual cases or the council can determine classes of case in which liability is to be reduced. The Strategic Director of Corporate Resources will determine local discounts in respect classes of cases. Other claims will be considered on an individual basis within the Financial Assessments Service.
- 1.2 The discount is discretionary and this policy sets out the key guidelines to be met.

### **2. Financial Impact**

- 2.1 The cost of any reduction awarded under Section 13Aa (1)(c ) must be met by the Ealing Council in full.
- 2.2 For 2023/24, the Council will also utilise additional funding of £630,896 awarded by the government as per guidance [Council Tax Support Fund guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/council-tax-support-fund-guidance).
- 2.3 Only one application will be considered for any particular period of Council Tax unless the applicant has had significant change in their circumstances since the previous application. Any award will have to be considered in line with budgetary provisions.

### **3. Application for a discretionary reduction**

- 3.1 The Council requires evidence to support all applications and will check data provided with other Council records as necessary and where appropriate.
- 3.2 Regulations state how applications may be made and in order to be as fair and transparent as possible the Council have devised an application form to ensure consistency. It is a checklist of criteria to be met or questions to be answered. This will assist in the application process.
- 3.3 Except where a policy is agreed for classes, all applications will be considered on an individual basis and decisions will be made in accordance with this policy. The Council will consider the following before awarding any reduction:
  - The customer is experiencing financial hardship and difficulty in meeting their basic and essential needs or where the required payment of council tax would hinder customer's ability to meet these needs (e.g. accommodation, food, heating and hygiene)
  - The customer must demonstrate in their application that they have taken all reasonable steps to resolve their own situation prior to making application including utilisation of Council's existing support mechanisms for debt management, maximising benefit or referrals to other specialist services
  - Whether all other discounts/reliefs (including Council Tax Support) have been claimed and awarded to the customer where there is entitlement

- Whether the hardship experienced arose during customer's transition from long term benefits into work
  - Whether the customer has access to other assets that could be used to pay the Council Tax
  - The financial circumstances (income, expenditure and assets and liabilities) of the customer at the time the Council Tax accrued
  - If the customer's Council Tax account is in arrears, the Council must be satisfied that non-payment was not due to refusing to make payment or not prioritising the payment of Council Tax
  - The Council must have sufficient funds available to allow for a reduction to be made.
- 3.4 There must be clear evidence of exceptional circumstances and hardship provided to Ealing Council that justifies a reduction in Council Tax liability. This will ordinarily be for a short period of time and not on an on-going basis.
- 3.5 To ensure there is a fair and consistent approach, all applications will be considered within the guidelines of this policy and a written record will be kept on file of the decisions and factors considered in the process.
- 3.6 Application must be on the form provided and include all evidence necessary to support it (unless the necessary evidence has already been provided to the Council as part of application for housing benefit, council tax support, discretionary housing payment or local welfare assistance payments)

#### Council Tax Support Fund 2023/24 only

- 3.7 This section applies only to the financial year 2023/24 and payments made in that year. No application is required where the council tax account holder is in receipt of Council Tax Reduction (CTR) and has an amount to pay after CTR has been applied. These hardship payments are made as a reduction to council tax liability in accordance with government guidance and they shall not exceed £40 per council tax account holder. The government has allocated the Council the sum of £630,896 for this purpose.
- 3.8 The payments will only be made to existing recipients of CTR on 1 April 2023.
- 3.9 Claimants who become entitled to Council Tax Reduction after 1 April 2023 will not have their council tax liability reduced automatically by the £40 but will be able to make an application for a discretionary scheme.
- 3.10 The guidance allows for the Council to use any remaining funding to further its own approach to supporting economically vulnerable households with council tax bills. The Council will do this by making 13A(1)(c) awards following successful applications to the Council's Council Tax Discretionary Discount scheme.

#### **4. Assessing the award**

- 4.1 The Council will notify the applicant of the decision in writing.

- 4.2 The Council will not consider applications to reduce Council Tax liability where the customer has failed to provide information within any requested timescale and will notify the customer in writing that the application has been refused.
- 4.3 The application form will be assessed together with all supporting evidence and:
- Where evidence is weak or insufficient the applicant will be informed that a decision cannot be made and they will be required to support the relevant evidence in order for the request to be considered further.
  - The maximum award that may be applied for is the net council tax for one financial year.
  - A reduction may meet part or all of the council tax due.
  - Whether Council finances permit the granting of the reduction and it is reasonable to award in light of the impact on other council tax payers in Ealing.
  - Applications will be considered by Financial Assessments. Managers in Financial Assessments will approve awards and grant relief on accounts. Separate procedural arrangements will be established in respect of liaison between Financial Assessment and Local Tax and Accounts Receivable.
  - As a part of making a decision on a customer's application for discretionary award, the Council may also take into consideration customer's engagement in activities to address worklessness, debt or problematic behaviour.
  - Once determined, the council tax payer(s) will be notified of the decision within 21 days.
  - An application submitted is not an entitlement to withhold payment of council tax.
  - The amount outstanding must not be the result of wilful refusal or culpable neglect.
  - The Council will consider the reduction of council tax liability in respect of any council tax payer or any class of payer on their individual merit.

## **5. Period Section 13a applies for**

- 5.1 The Council will normally only award Section 13a discount for a limited period of liability. However, where the applicant can show that the circumstances will remain the same for a period up to the end of the current financial year, discount may be awarded for the remainder of the year.
- 5.2 Should the council tax bill reduce within the period that Section 13a discount has been applied; the discount will be reduced proportionately. If the council tax bill increases within the period discount is applied, i.e. another discount is removed, the amount of S13 discount awarded will not automatically increase. In such cases, the Council, upon request of the customer, will reconsider the application and may award an additional discount.
- 5.3 Where it transpires that a discount has been awarded based on false information or evidence, the decision will be revoked. The Council shall take legal advice regarding any incidents of possible fraud or false information.
- 5.4 Examples of changes in circumstance likely to affect S13a discount:
- the end of a financial year;
  - a change of liable person;
  - the property becomes empty or unoccupied;
  - the customer enters any form of Insolvency proceedings;
  - The customer's financial circumstances change. The customer must inform the Council if their circumstances change.

## 6. Review of Decision

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 a customer’s written request for a further review of its decision within one calendar month of notification of the date of decision. This review will consider any additional information supplied by the council tax payer(s) in support of the request.

## 7. Aim of Policy

The aim of the policy is to provide guidelines in the award of discretionary discount in council tax. Each case will be assessed on its own merits with consideration for the financial cost of discount.

## 8. Roles and Responsibilities

The roles and responsibilities of officers are outlined in the table below. In addition, the annual audit of council tax will encompass the application and award of discount.

<b>Area</b>	<b>Roles and Responsibilities</b>
Financial Assessment Service	Consider applications, reject applications, make recommendations to accept customers’ applications in accordance with the policy. Where appropriate to liaise with the Local Tax Service.
Managers in Local tax	Consider applications, and recommendations from Financial Assessment Service, and to accept or reject customers’ applications in accordance with the policy. Where appropriate to liaise with the Financial Assessment Service.
Revenues Head of Service	To decide on review cases To monitor and ensure compliance To review and control expenditure

## 9. The Legal Context

Section 13a (1)(c) of the Local Government Finance Act 1992 states:  
“13 A Reductions by billing authority

(1)The amount of council tax which a person is liable to pay in respect of any chargeable dwelling and any day (as determined in accordance with sections 10 to 13)—

[...]

(c) in any case, may be reduced to such extent (or, if the amount has been reduced under paragraph (a) or (b) [The council tax reduction scheme], such further extent) as the billing authority for the area in which the dwelling is situated thinks fit.

[and further]

(6) The power under subsection (1)(c) includes power to reduce an amount to nil.

(7) The power under subsection (1)(c) 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.

The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, Schedule 7, Part 3 state:

**Procedure for an application to the authority for a reduction under section 13A(1)(c) of the 1992 Act**

9.—(1) An application to an authority for a reduction under section 13A(1)(c)(1) of the 1992 Act may be made—

- (a) in writing,
- (b) by means of an electronic communication in accordance with Part 4 of this Schedule, or
- (c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.

(2) Where—

- (a) the authority has made a determination under section 13A(1)(c) in relation to a class of case in which liability is to be reduced; and
  - (b) a person in that class would otherwise be entitled to a reduction under its scheme,
- that person's application for a reduction under the authority's scheme may also be treated as an application for a reduction under section 13A(1)(c).

**10. Equalities and Diversity**

The Council has carried out a Full Equality Impact Assessment for the purposes of implementing Council Tax Reduction scheme.

**11. Review of Policy**

This policy will be reviewed annually as part of the Council's budget setting process. Reviews will be agreed by the Strategic Director of Corporate Resources in consultation with the relevant portfolio holder.