

Council Tax Section 13A Discretionary Discount application process

Guidance

Introduction

Prior to 1 April 2013 the Government operated a national scheme of Council Tax benefit to support people on low income meet their council tax liability. Depending on circumstances the Government protected working age residents on low income by covering up to 100% of their council tax liability. The cost of paying Council Tax benefit was paid to Local Authorities via Government subsidy.

In 2013 Council Tax benefit was abolished, and instead local Councils were required to design their own local council tax support schemes. This change was accompanied with a 10% cut in Government funding.

From 1 April 2013 to 31 March 2018 Shropshire Council's Council Tax Support scheme continued to protect residents on low incomes by continuing to award up to 100% benefit.

Due to unprecedented cuts in Government funding Shropshire Council has had to review its scheme for 2018-19. As a result of this review with effect from 1 April 2018 Shropshire Council has amended its Council Tax Support scheme and introduced a minimum payment of 20% for working age residents.

There are some exceptions to this. The following groups continue to be protected from paying council tax.

- Claimant or partner who meet the criteria for the severe disability premium
- Claimant or partner in receipt of the support component of Employment and Support Allowance
- Claimant or partner receiving a war compensated benefit or pension

Discretionary Applications

When these changes were considered by Council on 14 December 2017 it was acknowledged that this would most likely lead to an increase in applications for discretionary council tax discount. It was also acknowledged that the Council were consistently underspending the discretionary housing payment (DHP) fund. As a number of people affected by the Council Tax Support scheme changes might also be eligible for DHP, it was agreed to view the claimant's circumstances more holistically. Where the claimant was deemed to be in financial difficulty and was eligible for DHP it was agreed that the Council would see a financial benefit to utilise DHP, rather than award Section 13A discount. Although DHP cannot be used to pay Council Tax, providing funds to support rent payment would free up funds for the claimant that would enable them to meet their council tax liabilities.

A link to the report that went to Council on 14 December 2017 is below.

<http://shropshire.gov.uk/committee-services/documents/s17354/15%20Council%20Tax%20Support%20002.pdf>

Section 13A Application process

The decision to introduce a minimum payment into the Councils Council Tax Support scheme has already been made by the Council. Also, as detailed above, exemptions from the 20% minimum payment have also been agreed.

In 2015 the Council delegated the power to consider requests for discretionary council tax discount to the Council's Section 151 Officer, with any appeals against their decision to be heard by the General Appeal Panel of members.

The Discretionary Policy is currently being reviewed and is being amended slightly to provide greater clarification around the Section 13A consideration process. The amended policy will be considered by Cabinet on 4 July 2018 and by full Council on 20 September 2018.

The policy details the process the Council will follow when considering applications for section 13A discretionary discount, when requests are made due to financial hardship. This has been reproduced below.

An application form for Section 13A discretionary discounts is at appendix A. An Income and Expenditure form to be completed by the claimant when applying for Section 13A discretionary discount based on financial hardship is at Appendix B. A flow chart detailing the process to be followed when considering requests for discretionary discount is at appendix C.

Council Tax Discretionary Discount

49. *The Local Government Act 2003 introduced a new power as Section 13A of the Local Government Finance Act 1992, whereby a billing authority may reduce the liability of a council tax payer to such extent as it sees fit.*
50. *The power can be exercised in relation to particular cases or by determining a class of case in which liability is to be reduced.*

Financial Implications

51. *Any cost associated with such a reduction is borne by the billing authority.*

Options

52. *The authority should have a due process for consideration of applications for discretionary council tax discount.*

Process to consider applications to the authority to exercise its discretion

53. *Requests for Section 13A discount may come from a variety of people for a variety of reasons.*
54. *Where applicants for discretionary discount are applying due to financial hardship consideration will be given to:*

- *The applicants personal circumstances*
 - *The applicants income and expenditure and budget management*
 - *Any savings or assets available to the applicant*
 - *Any discount, relief, exemption, benefit, or any other financial assistance the applicant may be entitled to*
 - *Any other factors the authority deems to be relevant*
55. *In order to properly understand the claimants circumstances the applicant will be asked to provide reasonable evidence in support of their application. This may include:*
- *Income and Expenditure statement*
 - *Documentary evidence to verify information provided on Income and Expenditure statements*
 - *Evidence that all other benefit eligibility has been explored thoroughly and maximised*
 - *Evidence of any applications made to other organisations for financial assistance*
 - *Any special circumstances that the Council is aware of*
 - *Any other relevant documentation*
56. *Government guidelines state that an authority may delegate the decision making process on applications for discretionary relief either to individual officers or committees.*
57. *The authority should have a mechanism that allows applicants to appeal against a decision by an authority to revoke, reject or restrict the award of discretionary relief. The same officials that made the original decision should not consider appeals. Guidelines suggest that it may be appropriate to refer any appeal to a panel of council members, especially where an officer of the council made the original decision under delegated powers.*
58. *The timescales for appealing against a decision of a billing authority in relation to council tax liability are set out in Section 16 of the Local Government Finance Act 1992. This allows a person to appeal directly to the Valuation Tribunal if they have received no notification from the billing authority within two months of appealing against a decision.*

Recommendation

59. *The recommendation is to delegate the determination of council tax discretionary discount awards to the Council's Section 151 Officer with any appeal against that decision to be heard by the General Appeals Panel. Where an appeal against a*

decision of Section 151 Officer is received the General Appeal Panel of Members will hear the appeal within two months of the appeal being received.

60. *The council tax payer may appeal directly to the Valuation Tribunal if they remain dissatisfied with the outcome of the appeal, or if they have received no notification from the billing authority within two months of appealing against a decision of Section 151 Officer.*
61. *The flowchart at Appendix C details the process for considering requests for Section 13A discount.*

Financial Implications

The cost of any discretionary awards is picked up in full by Shropshire Council, and by extension the wider council taxpayer and so we need to ensure that our decision making is responsible and informed.

Trigger Figures

The Council's Local Support and Prevention Fund team have developed trigger figures to provide a guide when assessing reasonable expenditure levels for LSPF and DHP applications. We will use these as a reference guide when exploring reasonable expenditure levels when assessing requests for discretionary discount based on financial hardship.

Completed Application Forms

Please e-mail your completed application form, with the completed accompanying Income and Expenditure form, along with scans of any supporting documentation to

Lorraine.dyer@shropshire.gov.uk

or

Joanna.dodington@shropshire.gov.uk

Or post to

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