

# **Council Tax Discretionary Relief Policy**

## **1. Purpose of policy document**

- 1.1 This policy has been designed to ensure that all council taxpayers making an application for relief are treated in a consistent and equitable manner
- 1.2 This policy has been written to:
  - set guidelines for the factors to be considered in determining an application
  - set out the delegated authority to award relief in appropriate circumstances
  - establish an appeals procedure for applicants dissatisfied with a decision
  - safeguard the interests of the local taxpayers by ensuring funds allocated for the award of relief are used effectively and economically

## **2. Background**

- 2.1 Under Section 13A of the Local Government Finance Act 1992 (as inserted by Section 76 of the Local Government Act 2003), the Council has the power to reduce liability for council tax in relation to individual cases or class(es) of cases that it may determine and where national discounts and exemptions cannot be applied. It says:

### *13A Billing authority's power to reduce amount of tax payable*

1. *Where a person is liable to pay council tax in respect of any chargeable dwelling and day, the billing authority for the area in which the dwelling is situated may reduce the amount which he is liable to pay as respects the dwelling and the day to such extent as it thinks fit.*
  2. *The power under subsection 1) above includes the power to reduce an amount to nil.*
  3. *The power under subsection 1) 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.*
- 2.2 There are financial implications to awarding any discounts other than those currently available under the statutory legislation and the financial burden of Section 13A discounts has to be met through an increase in the general level of council tax for other payers. As a consequence of this the Council will only consider using its powers to reduce council tax liability for any council taxpayer or class of payer in exceptional circumstances.

## **3. Eligibility Guidelines**

- 3.1 The Council will treat all applications on their individual merits, however some or all of the following criteria should be met for each case:

- There must be evidence of financial hardship or personal circumstances that justifies a reduction in council tax liability;
- The taxpayer must satisfy the Council that all reasonable steps have been taken to resolve their situation prior to application;
- The customer has applied for localised tax support where appropriate. The localised council tax support system exists to ensure that those on low incomes receive financial assistance with their council tax;
- All other eligible discounts/reliefs have been awarded;
- The liable person for an unoccupied domestic property has made their best efforts to sell or let the property and to levy a council tax charge would cause them exceptional financial hardship
- The taxpayer does not have access to other assets that could be used to pay council tax;
- Can the situation be resolved by some other legitimate means? If it can it is unlikely that an award will be made;
- The Council's finances allow for a reduction to be made;
- The situation and reason for the application must be outside of the taxpayer's control;
- The amount outstanding must not be the result of wilful refusal to pay or culpable neglect;
- It is reasonable for the Council to award a reduction having regard to the interests of other local Council Tax payers who have to meet the cost of any relief granted.

3.2 As a consequence of this the power to reduce under this section should only be applied in exceptional circumstances.

3.3 In all cases relief will end in the following circumstances:

- At the end of the financial year
- There is a change of liable person
- The council tax payer enters any form of formal insolvency
- The council tax payer's financial circumstances significantly change
- At the end of any fixed period notified to the council taxpayer at the time the award

#### **4. Claiming discretionary relief**

4.1 Requests for reductions in council tax liability will be required in writing from the taxpayer, their advocate/appointee or a recognised third party acting on their behalf. Applications must be made on an approved application form (see attached). The application form and any supporting information should be completed and returned to:

Medway Council  
 Medway Revenues & Benefits Service  
 Gun Wharf  
 Dock Road  
 Chatham  
 Kent ME4 4TR

Alternatively an on-line application form can be completed on the Council's website with any supporting information sent to the address above.

- 4.2 The application should relate to the current council tax year, unless the liable person has just received an account following late valuation for a previous year(s);
- 4.3 The Council may request any reasonable evidence in support of an application which will include a full financial statement detailed on the standard application form provided by the Revenues & Benefits Service confirming the applicant's household's total income and expenditure.

## **5. *Decision making process***

- 5.1 The Council will decide every application for relief where the customer has satisfied the required criteria as laid out in this policy.
- 5.2 The responsibility for making discretionary awards will rest with the Revenues & Benefits Manager.
- 5.3 The decision making process will involve:
  - Stage 1. Initial applications will be considered by a customer contact officer within 14 days of receipt of a signed application and all supporting information. This will include a review sheet, with findings and financial implications and initial recommendations.
  - Stage 2. The initial recommendations and accompanying paperwork will then be forwarded to the Assistant Revenues & Benefits Manager who will make a final recommendation to the Revenues & Benefits Manager for an award to be made where appropriate. Where an award is not to be made the customer will be notified as at 6. Below.
  - Stage 3. The Revenues and Benefits Manager will then approve/refuse the application within a further 7 days.

## **6. Notification of Decision**

- 6.1 The Council will notify the customer of its decision within 28 days of receiving sufficient information to make a decision and provide details of the process for having the decision reviewed.

## **7. Review of decision**

- 7.1 Where an award has been refused, the customer may ask for the decision to be reconsidered and may provide additional evidence to support their case.
- 7.2 Reconsideration will be undertaken by the Revenues & Benefits Manager

- 7.3 The Revenues & Benefits Manager will consider whether the council tax payer has provided any additional information that will justify a change to its original decision.
- 7.4 The Council will notify a customer of its decision within 14 days of receiving a request for a review.
- 7.5 Where the decision remains not to award relief, the Council will also supply details of the customer's appeal rights to the Valuation Tribunal.
- 7. Failure to comply with timescales**
- 8.1 Whilst every effort will be made to meet the deadlines outlined in sections 5, 6 or 7 above failure by the Council to do so does not qualify the claimant for relief.

**APPLICATION FOR COUNCIL TAX REDUCTION UNDER SECTION 13A OF THE  
LOCAL GOVERNMENT FINANCE ACT 1992**

\* Please note that if a joint bill has been issued then the application must also be made in joint names