

**POLICY FOR THE DETERMINATION OF
APPLICATIONS FOR A DISCRETIONARY
REDUCTION IN COUNCIL TAX LIABILITY**

EFFECTIVE FROM 1ST APRIL 2021

Section 13A of the Local Government Finance Act 1992 empowered a billing local authority as follows:

- (1) Where a person is liable to pay Council Tax in respect of any chargeable dwelling and any 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 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."*

Section 13A of the Local Government Finance Act 2012 introduced the council tax reduction scheme as part of the Localism Bill and further empowers a billing local authority as follows:

- (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)—*
 - a) in the case of a dwelling situated in the area of a billing authority in England, is to be reduced to the extent, if any, required by the authority's council tax reduction scheme (see subsection (2));*
 - b) in the case of a dwelling situated in the area of a billing authority in Wales, is to be reduced to the extent, if any, required by any council tax reduction scheme made under regulations under subsection (4) that applies to that dwelling;*
 - c) in any case, may be reduced to such extent (or, if the amount has been reduced under paragraph (a) or (b), such further extent) as the billing authority for the area in which the dwelling is situated thinks fit.*

(2) Each billing authority in England must make a scheme specifying the reductions which are to apply to amounts of council tax payable, in respect of dwellings situated in its area, by—

(a) persons whom the authority considers to be in financial need, or

(b) persons in classes consisting of persons whom the authority considers to be, in general, in financial need.

(3) Schedule 1A (which contains provisions about schemes under subsection (2)) has effect.

(4) The Welsh Ministers may by regulations—

(a) require a person or body specified in the regulations to make a scheme specifying the reductions which are to apply to amounts of council tax payable, in respect of dwellings to which the scheme applies, by persons to whom the scheme applies,

(b) impose requirements on that person or body regarding the matters which must be included in that scheme, and

(c) make other provision for and in connection with such schemes.

(5) Schedule 1B (which contains further provisions about regulations under subsection (4) and about schemes under those regulations) has effect.

(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.

Explanatory note in respect of the above legislation

Until recently, section 13A was little used, since council tax payers in financial difficulties could apply for council tax benefit – a nation-wide scheme - which often reduced their liability to zero. Council tax benefit was replaced by council tax reduction under the Local Government Finance Act 2012 which requires every billing authority to have its

own council tax reduction scheme. Most such schemes provide for reductions for those in financial need but rarely to nil, except in the case of those beyond working age.

The Act of 2012 introduced a new section 13A into the 1992 Act covering both the new council tax reduction schemes and the former discretionary power to grant relief.

A person who is liable to pay Council Tax on a property has the right to apply to the local council for a reduction in the amount of Council Tax due to be paid.

The council has the power to award a discount under its council tax reduction scheme. The Council can also decide, where appropriate, to grant further discretionary discounts in excess of those under its council tax reduction scheme to reduce the liability further or to zero.

The Council has the right to choose whether to use its powers on a case by case basis or it also has the right to specify a class of use. A class of use is where several people who pay Council Tax fall into a group because their circumstances are similar – for example; Council Tax Payers that have had to leave their homes due to flooding.

Procedure for Using Powers

The Council will consider using its powers to reduce Council Tax liability for any Council Tax payer within the Borough.

The Council would expect that there would have to be evidence of exceptional, unforeseen circumstances to justify any reduction over and above the award of Council Tax Support and that it will be intended only as short term assistance and must not be considered as a way of further reducing the Council Tax liability indefinitely.

Any application made over and above that of the Council Tax Support Scheme and under Section 13A (1)(c) of the Local Government Finance Act 2012 should be one of last resort and any entitlement to council tax support, discounts or exemptions should be explored prior to an application being made.

The cost of any discretionary reduction awarded under section 13A (1)(c) falls solely to the billing authority.

Each case will be considered on 'its individual merits'.

The Council will regard the following guidelines before recommending any reduction:

- Requests for reductions in Council Tax liability will be required from the Council Tax Payer, their advocate/appointee or a duly authorised third party acting on his/her behalf.
- The request must set out the circumstances on which the application is based and any hardship or personal circumstances relating to the application. Assistance will be available upon request.
- The application will require a full income and expenditure breakdown (Financial statement) of the applicant together with that of any other household members.
- The Council will request evidence in support of the application.
- The Council Tax Payer must satisfy the Council that all reasonable steps have been taken by him/her to resolve their own situation prior to application.

- Consideration has been given to any entitlement the applicant or any other household member might have to Council Tax Support.
- All other discounts/reliefs have been awarded to the Council Tax Payer or other household member that he/she is entitled to.
- The Council Tax Payer does not have access to other assets that could be used to pay the Council Tax.
- The Council will take into consideration the financial circumstances of the Council Tax Payer at the time the debt accrued.
- If the Council Tax account is in arrears, that non-payment was not due to willful refusal or culpable neglect.
- The length of time of the proposed reduction will be a maximum period of 6 months.
- The Council Tax Payer has the right to re-apply for one further period of 6 months if his/her circumstances have not changed

COVID-19 Council Tax Hardship

Boston Borough Council has defined a Covid-19 Council Tax Hardship Scheme as a specific class of case from 1 April 2021 to provide discretionary support through reduction in Council Tax in relation to financial years 2020/21 and 2021/22.

The scheme will remain in place until the total of available grant is fully spent, at which time the scheme will close.

Appendix A sets out the details of the scheme.

Decision Making Process

A senior officer will determine all applications.

Notification of Decision

The Council will notify a Council Tax Payer in writing within 14 days of receiving sufficient information to make a decision.

Amount of Discount or Reduction Granted

Officers do not propose to set percentage discounts or reductions to be applied as each case will have different circumstances. The amount of any discount or reduction will take into account the amount of the debt and the extent to which the criteria or guidelines are met.

Appeals

If an applicant is dissatisfied with the decision, a request for a review must be made in writing, stating why they are aggrieved by the decision.

The letter of appeal should be accompanied by any additional information that the applicant feels might justify a change in the original decision. The appeal will be considered by a senior officer who is independent of the original decision.

If following the submission of a letter of appeal, the taxpayer is still unhappy with the Council's decision, they may make a further appeal to the Valuation Tribunal for England. Any such appeal must be made within 2 months of the letter of appeal to the Council or the Council's response to that letter, whichever is the later.

Equalities Statement

Boston Borough Council is committed to equality and fairness. Equality is about ensuring people are treated fairly and given fair chances. It is also about ensuring that people

receive fair outcomes in the standard of service they receive from the Council. This incorporates everyone, regardless of their race, gender, age, religion or belief, sexual orientation and/or disability.

We can provide this information in other languages and formats, for example in large print, Braille or on audio cassette. For more information, please contact Revenues and Benefits on (01205) 314202 or revs@boston.gov.uk Alternatively you can write to us at Boston Borough Council, Municipal Buildings, West Street, Boston, Lincolnshire, PE21 8QR.

Fraudulent Claims

If a reduction has been made as a result of a false or fraudulent claim Boston Borough Council reserves the right to withdraw the award.

Next review date

1st April 2022

COVID-19 Council Tax Hardship

The following is adopted as the discretionary scheme, to be in place until the balance of the grant is fully spent, at which time the scheme will close. The scheme will cover financial years 2020/21 and 2021/22.

Amount of Award

A reduction of £150 (or up to £150 where the CT account balance is lower).

Decision making

Delegation to PSPS Officers, on behalf of Boston Borough Council, to determine and apply reduction awards.

Access to Council Tax Reduction under the provisions of this scheme

No application will be required; economically vulnerable households impacted by Covid-19 will be identified from existing records, previous contacts and referrals.

The scheme may be extended during the year to invite applications, subject to the level of available funds.

Scheme Criteria

1. The individual or household has suffered a financial hardship as a consequence of COVID-19.
1. The scheme will not be limited to those of working age or in receipt of CTS.
2. There must be an outstanding balance of Council Tax.
3. The award will be up to a maximum of £150. Where the CT account balance is less than £150 then the amount of the reduction award will reduce the liability to nil. No award will be made where the effect of the award is to put the account into credit for the financial year.
4. Awards can be made from the residual 2020/21 fund to taxpayers who received an award in the initial round.
5. Awards can be made to non-resident taxpayers but will not be made to taxpayers who use or have used the property to generate an income (i.e. not for landlords between tenants).
6. We will identify suitable recipients from the following list, but will not use this list as an exhaustive criteria for eligibility:
 - a. Taxpayers who have advised us that they are suffering from financial difficulty as a result of COVID19
 - b. Taxpayers in receipt of CTS against whom the Council has obtained a Liability order for the first time in 2020/21 or 2021/22 having previously paid their charge
 - c. Recipients of Discretionary Housing Payment

- d. Applicants for a discretionary COVID19 Test & Trace Support Payment as recommended by the Council
- 7. No award will be made to any taxpayer who has received a fraud sanction from the Council in either 2019/20, 2020/21 or 2021/22.