

Council Tax Discretionary Reduction in Liability Policy

Guidelines for the award of a Discretionary Reduction in liability for Council Tax

April 2021

Document Control

Managed by:

Louise Freeth

Head of Revenues, Benefits, Library and Resident Services : Royal Borough of Windsor and Maidenhead

Version: V1.3

Contents

1. Introduction and Scope.	3
2.0 Procedure for Using Powers	3
3.0 Decision Making Process	5
4.0 Notification of Decision	5
5.0 Amount of Discount or Reduction Granted.....	5
6.0 Payment	5
7.0 Appeals.....	5

Policy for the Determination of Applications for a Reduction in Council Tax Liability

1. Introduction and Scope.

1.1 S13A(1)(c) of the Local Government Finance Act 1992 empowers 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.”*

2.0 Procedure for Using Powers

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

2.2 However there are financial implications to awarding any discounts, other than those currently available under the statutory legislation. Not only could there be a subsequent increase in the general level of council tax for other payers, but the complication and cost of administering council tax could increase.

2.3 There are a number of reasons for this suggested policy:

- Use of the power would reduce the income from Council Tax;
- A wider entitlement to reduced liability would require considerable administration to assess requests; and
- The Council Tax Reduction system exists to ensure that those on low incomes receive financial assistance with their Council Tax

2.4 The council in dealing with the collection of council tax liability may make decisions whether to “write off” debt under the provisions of the Council’s framework of delegated powers and the Debt Recovery Policy, but this is carried out through an assessment on the collectability of the debt and does not constitute a reduction in liability as defined within S13A(1)(c) of the Local Government Finance Act 1992.

2.5 Ordinarily, the Council would expect that there would have to be evidence that extreme financial hardship would be caused to justify any reduction and that it will be intended only as short term assistance and should not be considered as a way of reducing Council Tax

liability indefinitely. However, there may be exceptions to this when a reduction is nevertheless considered appropriate based on the individual circumstances of the liability.

2.6 Exceptions to this may also include:

- I. The Discretionary Council Tax Exemption to care leavers aged 22-25, available from 1 June 2015; and
- II. Customers where any underpayment of Council Tax is as a result of a mistake made, by the Council Tax Reduction team when assessing their entitlement, which the customer could not reasonably have known about.
- III. Council Tax Hardship Payments instructed to be made in accordance with guidance provided by the Ministry of Housing and Local Government, while funding permits.

However, in both i) and ii) it is still anticipated that applications will be considered on the basis of whether or not financial hardship could result from an insistence of payment.

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

2.8 Each case will be considered on “its individual merits” and appropriate care will be given to the decision making process. This will take into account the taxpayer’s personal circumstances and the other powers of the Council Tax legislation to amend Council Tax liability. .

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

- Requests for reductions in Council Tax liability will be required in writing from the taxpayer, their advocate/appointee or a duly authorised third party acting on his/her behalf. These may be either be e-mailed to council.tax@rbwm.gov.uk or via post to Council Tax, Town Hall, St Ives Road, Maidenhead, SL6 1XP
- The request should set out the circumstances on which the application is based and any hardship or personal circumstances relating to the application.
- The application should include a full income and expenditure breakdown of the applicant together with that of any other household members.
- The Council may request evidence in support of the application.
- The taxpayer must satisfy the Council that all reasonable steps have been taken by them to resolve their own situation prior to application.
- Consideration has been given to any entitlement the applicant might have to Council Tax Reduction
- All other discounts/reliefs have been awarded to the taxpayer that he/she is entitled to.
- The taxpayer does not have access to other assets that could be used to pay the Council Tax.
- The Council can take into consideration the financial circumstances of the taxpayer at the time the debt accrued.
- If the Council Tax account is in arrears, that non-payment was not due to wilful refusal or culpable neglect.
- If the debt outstanding is due to an error by the Council.
- The Council’s finances allow for a reduction to be made.

- The length of time of the proposed reduction will be a maximum period of one financial year.

3.0 Decision Making Process

3.1 The decision making process will be in line with the scheme of delegation. Recommendations will be made and approved as follows:

- Debt Recovery Team leader up to £500
- Head of Revenues and Benefits up to £2,000
- Executive Director (Communities) up to £50,000
- Cabinet over £50,000

4.0 Notification of Decision

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

5.0 Amount of Discount or Reduction Granted

5.1 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.

6.0 Payment

6.1 In line with legislation, any award shall be granted as a reduction in the liability of the Council Tax Payer thereby reducing the amount of Council Tax payable.

7.0 Appeals

7.1 Appeals against the Council's decision may be made in accordance with Section 16 of the Local Government Finance Act 1992.

7.2 The Council Taxpayer must in the first instance write to the Council outlining the reason for their appeal. Once received the Council will reconsider its decision and notify the Council Taxpayer accordingly.

7.3 Where the Council Taxpayer remains aggrieved, a further appeal can then be made to the Valuation Tribunal. This further appeal should be made within 2 months of the decision of the Council not to grant any reductions. Full details can be obtained from the Councils website or from the Valuation Tribunal <http://www.valuationtribunal.gov.uk/Home.aspx>

