

Council Tax Discretionary Hardship Policy

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. This is included in legislation and is stated in Section 13a of the Local Government Finance Act 1992.

The council has the power to award a discount for a period of time it thinks is reasonable and it can choose to reduce the amount of council tax payable. The Council can also decide if necessary to reduce liability to nil.

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.

Section 13A(1)(c) of the Local Government Finance Act 1992 (as inserted by Section 76 of the Local Government Act 2003) states

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 s/he is liable to pay as respects the dwelling and the day to such extent as it thinks fit.

- a. The power under subsection 1) above includes the power to reduce an amount to nil.*
- b. 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.*

1. This policy comes into effect from 1 April 2016
2. An application for a reduction will not be considered from any applicant who has been prosecuted and convicted for any welfare benefit fraud, including Administrative Penalty or a Sanction in the six years prior to the application
3. There are financial implications to awarding 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.
4. As a consequence of this the council will only consider using its powers to reduce council tax liability for any council tax payer or class of payers in exceptional circumstances. The council will treat all application on their individual merits, but some or all of the following criteria must be met in each case:
 - There must be evidence of financial hardship or personal circumstances that justify a reduction in council tax liability
 - The council tax payer must satisfy the Council that all reasonable steps have been taken to resolve their situation prior to application
 - The customer has applied for council tax support where applicable. The localised Council Tax Support Scheme exists to ensure that those on a low income receive financial support with their council tax
 - All other statutory discounts/reliefs have been awarded
 - The council tax payer does not have access to other assets that could be used to pay council tax

- The situation and reason for the application must be outside of the council tax payer's control
- The amount outstanding must not be the result of wilful refusal to pay or culpable neglect
- In the case of an unoccupied property it must not be the sole or main residence of the council tax payer, and the applicant must show that they have made reasonable efforts to sell the property or return the lease.
- Priority will be given to those applicants who are under the age of 22 and were formerly in social services care under section 20 or 31(1)(a) of the Children Act 1989
- The council's finances allow for a reduction to be made. If the fund is exhausted, acceptance will only be in exceptional circumstances

Claiming Discretionary Relief

5. In the first instance, the council tax payer seeks advice from Peterborough Citizens Advice Bureau
6. Requests for reductions in council tax liability will be required in writing from the council tax payer, their advocate/appoints or a recognised third party acting on their behalf.
7. The application should be in such form as required by the council
8. The application should relate to the current council tax year, unless the liable person has just received an account following late valuation for previous year(s).
9. The council may request any reasonable evidence in support of an application, including a financial statement and evidence of income and outgoings
10. The applicant must agree to repay any discretionary discount believed to have been overpaid for whatever reason

Decision Making

11. Decisions in respect of Section 13A applications will be recorded for transparency. Annual information regarding claims and awards will be submitted to the Chief Financial Officer.
12. Decision will be made by the Corporate Director: Resources, or delegated nominee on their behalf)

Discount Period

13. Any award will cease either at the end of the financial year or earlier if there is a change to the council tax payer's circumstances that mean s/he is no longer entitled to the discount *or such other restrictions on time/maximum award as agreed to be the policy for the council*
14. The discount is intended as short term help. It is not the intention to award or re-award in perpetuity

Amount of Discount

15. The discount will be calculated against the daily council tax liability after deducting any other reliefs, discounts and council tax support and will not exceed that figure
16. The discount to be awarded is entirely at the discretion of the council
17. Any discount will be applied to the relevant council tax account to reduce liability

Notification of a Decision

18. The applicant will be notified of the decision in writing
19. The decision notice will include the reasons for the decision
20. If a discount is granted the notice will include the amount of the discount and the period for which it is granted

Review of Decision

21. Under the Local Government Finance Act 1992 there is a right of appeal. In the first instance the aggrieved person must serve written notice on the council stating the grounds for the grievance.
22. Where the aggrieved person is notified in writing by the council that grievance is not well founded and s/he is still aggrieved s/he may appeal to the Valuation Tribunal

Fraudulent Claims

23. If a reduction has been made as a result of a false or fraudulent claim the council reserves the right to withdraw the award thereby increasing the amount of council tax payable
24. Examples of false or fraudulent claims include, but are not limited to:
 - Misrepresentation or failure to disclose a material fact, whether fraudulently or otherwise
 - Failure to notify any relevant change in circumstances, whether fraudulently or otherwise
25. Where a discount is granted, applicants are required to notify the council of any relevant changes in their circumstances that could affect the award. Examples of changes include, but are not limited to
 - Change of address
 - If the applicant or a member of the household leaves the dwelling temporarily or permanently
 - If the applicant's or a member of their household's income or capital changes
 - If the number and/or circumstances of others in the household changes
 - If there is a change to any factor that caused or contributed to their hardship
 - If hardship ends
 - If there is any change to circumstances that were included in the application for the discount
26. The council will consider prosecuting any applicant who makes a false statement or provides fraudulent evidence in support of an application

Equalities Statement

27. The council is committed to equality and fairness. Equality is about ensuring that 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