



CABINET – 16TH MARCH 2016

SUBJECT: COUNCIL TAX DISCRETIONARY REDUCTION POLICY - SECTION 13A (1) (C)

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151 OFFICER

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- 1.1 The attached report, which outlined details of a draft Council Tax Discretionary Reduction Policy concerning Section 13A (1) (c) of the Local Government Finance Act 1992, was considered by the Policy and Resources Scrutiny Committee on 1st March 2016. The report sought the views of Members on these proposals prior to its presentation to Cabinet for approval.
 - 1.2 Members were advised that Section 13A (1) (c) of the Local Government Finance Act 1992 as amended gives discretion to billing authorities to reduce a liable person's council tax 'to such extent as it thinks fit', even to nil, whether on an individual basis or by prescribing one or more categories
 - 1.3 The Section 13A discretion is in addition to various statutory reductions, discounts, disregards and exemptions that are already within existing legislation. The discretionary power was originally envisaged to be used in extreme cases affecting a limited number of council tax payers (such as a crisis or fire/flooding event). However, from 1st April 2013, the way in which support is provided to council tax payers on low income changed with the introduction of Council Tax Reduction Schemes throughout the UK.
 - 1.4 In Wales the Welsh Government has committed to a 100% funded Council Tax Reduction Scheme until the end of March 2017. This is not the case in England and consequently an increase in Section 13A applications has been experienced. Any move by the Welsh Government to not fully fund the Council Tax Reduction Scheme from April 2017 may result in a rise in Section 13A applications in Wales. Any change in the Council Tax Reduction Scheme would require a report to full Council along with an assessment of the potential financial implications.
 - 1.5 The Section 13A policy (appended to the report in draft form) aims to provide a more transparent and equitable way of determining applications received for discretionary council tax reduction.
 - 1.6 Discussion took place regarding the support available to persons applying for discretionary council tax reduction and the available methods of appeal in cases of refusal. Officers explained that a financial assessment is required to support cases of financial hardship and that where required Council staff would offer support in completing the relevant income/expenditure form. Members were advised that under the Local Government Finance Act 1992, there is no

right of appeal against the Council's use of discretionary powers, but the Council will accept a taxpayer's written request for a review of its decision if it is made within 28 days of the original decision. The review will be carried out by the Director of Corporate Services and Section 151 Officer who will consider whether the applicant has provided any additional information against the required criteria that will justify a change of decision.

- 1.7 Officers explained that the Council will treat all Section 13A applications on their individual merits and emphasised that support is already available through the Council Tax Reduction Scheme, which is separate to the Section 13A Discretionary reduction. Officers also outlined the details of the limited number of successful Section 13A applications approved to date and it was agreed that further information regarding unsuccessful applications would be provided to Members following the meeting.
- 1.8 Following consideration of the report, the Policy and Resources Scrutiny Committee unanimously recommended to Cabinet that for the reasons contained therein, the Council Tax Discretionary Reduction Policy - Section 13A (1) (c) as set out in the Appendix to the report be approved.
- 1.9 Members are asked to consider the recommendation.

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Appendices:

Appendix 1 Report to Policy and Resources Scrutiny Committee on 1st March 2016 – Agenda Item 9