

**Solihull Metropolitan Borough Council
Council Tax
Discretionary Reduction in Liability Policy
S13A(1)(c) Local Government Finance Act 1992**

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1 Introduction and Legislation

1.1 Section 13A (1)(c) of the Local Government Finance Act 1992, provides the Council with additional discretionary powers to enable it to reduce the council tax liability where statutory discounts, exemptions and reductions do not apply.

1.2 These discretionary awards can be given to:

- Individual Council Taxpayers;
- Groups of Council Taxpayers defined by a common set of circumstances;
- Council Taxpayers within a defined area: or
- To all Council Taxpayers within the Council's area.

1.3 This policy is divided into the following areas namely:

- (a) **Granting of reductions under the Council's Discretionary Reduction Fund** - this part of the policy applies to circumstances where the applicant experiences exceptional hardship.
- (b) **Crisis** – this part of the policy deals with all cases where a reduction in liability is claimed where the taxpayer experiences a crisis (other than mentioned in (a)); and
- (c) **Other circumstances** – this part applies where the application is made other than for (a) or (b) above.

1.4 The relevant legislation (S13 (1) (c) of the Local Government Finance Act 1992 as amended by the Local Government Finance Act 2012), states the following:

Reductions by billing authority

(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);

- (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.**

1.5 The provisions stated in (c) above, allows the Council to reduce the Council Tax liability for any taxpayer in addition to any application for Council Tax Reduction under the Council's scheme. This is a general power that has always been available to the Council.

1.6 When deciding on whether to grant a reduction in liability, the Council will consider each application based on individual circumstances. Principles of reasonableness will apply in all cases with the authority deciding each case on relevant merits.

1.7 The period of any reduced liability will be considered in conjunction with the circumstances of the Council Taxpayer except where specified by Central Government.

2 Discretionary Reduction Fund.

2.1 A Council Taxpayer may apply for a reduction in liability under the Council's Discretionary Reduction Fund. Applications will be accepted under this part of the policy for taxpayers who are experiencing severe financial hardship as a result of their council tax charge.

- 2.2 Requests will be considered from individual homeowners and landlords. Requests from businesses that are liable for council tax for a number of properties will only be considered in very exceptional circumstances and only where the business can demonstrate a serious and long-lasting financial impact as a direct result of the council tax charge.
- 2.3 As part of the process of applying for additional support, all applicants must be willing to undertake **all** of the following:
- (a) Make a separate application for assistance;
 - (b) Provide full details of their income and expenditure;
 - (c) The taxpayer is able to satisfy the Council that they are not able to meet their full Council Tax liability or part of their liability;
 - (d) Accept assistance from either the Council or third parties such as the Community Advice Hubs or similar organisations to enable them to manage their finances more effectively including the termination of non-essential expenditure;
 - (e) Identify potential changes in payment methods and arrangements to assist the applicant;
 - (f) Assist the Council to minimise liability by ensuring that all discounts, exemptions and reductions are properly granted;
 - (g) The taxpayer is able to demonstrate that all reasonable steps have been taken to meet their full Council Tax liability (for example - applications for employment or additional employment)
 - (h) The taxpayer has sought to maximise their income through the application for other welfare benefits, cancellation of non-essential contracts and outgoings and identifying the most economical tariffs for the supply of utilities and services generally
 - (i) The taxpayer has no access to assets that could be realised and used to pay the Council Tax
- 2.4 The Council will be responsible for assessing applications against this policy and an officer will consider the following factors when applying this policy:
- (a) Current household composition and specific circumstances including disability and/or caring responsibilities;
 - (b) Current financial circumstances;
 - (c) Determine what action(s) the applicant has taken to alleviate the situation;
 - (d) Consider alternative means of support that may be available to the applicant by:
 - i. re-profiling council tax debts or other debts;
 - ii. applying for a Discretionary Housing Payment for Housing Benefit or Universal Credit Housing Element;(where applicable);
 - iii. maximising other benefits;
 - iv. determining whether in the opinion of the decision maker the spending priorities of the applicant should be re-arranged.

3 Crisis

- 3.1 The Council will consider requests for assistance from Council Taxpayers who, through no fault of their own, have experienced a crisis or event that has made their property uninhabitable. The request will be considered where they remain liable to pay council tax and for which they have no recourse for compensation nor have recourse to any statutory exemptions or discounts or where the crisis or event is not covered by any insurance policy.
- 3.2 All such requests must be made in writing detailing the **exact** circumstances of why a reduction in the liability is required and specifying when the situation is expected to be resolved. The Council will consider applications on a case-by-case basis.

4 Other Circumstances

- 4.1 The Council will consider requests from Council Taxpayers for a reduction in their liability based on other circumstances, not specifically mentioned within this policy. However, the Council must be of the opinion that the circumstances relating to the application warrant further reduction in their liability for Council Tax having regard to the effect on other Council Taxpayers.
- 4.2 No reduction in liability will be granted where any statutory exemption or discount could be granted.

5 Changes in circumstances

- 5.1 The Council may revise any discretionary reduction in liability where the applicant's circumstances or situation has changed.
- 5.2 As part of this policy, it is expected that the taxpayer agrees that they must inform the Council immediately either by phone, email or in writing about any changes in their circumstances which might affect the claim/award made under this policy. Failure to do so may result in the withdrawal of the reduction granted for the year and the requirement to repay any outstanding amount to the Council.

6 Duties of the applicant and the applicant's household

- 6.1 A person claiming any reduction in liability must:
- Provide the Council with such information as it may require to make a decision;
 - Tell the Council of any changes in circumstances that may be relevant to their ongoing claim; and
 - Provide the Council with such other information as it may require in connection with their claim.

7 The award and duration of a reduction in liability

- 7.1 Both the amount and the duration of the award are determined at the discretion of the Council and will be done so on the basis of the evidence supplied and the circumstances of the claim.
- 7.2 The start date of such a payment and the duration of any payment will be determined by the Council. In any event, the maximum length of the award will not exceed the end of the financial year in which the award is given.
- 7.3 In the case of Government funded reductions, the Council shall bear in mind Central Government guidance when considering the period to grant a reduction.
- 7.4 In all other cases the duration and level of any Council Tax discretionary reduction will be determined individually. In determining the period of award, examples are given below of the types of factors that may be appropriate for consideration:
- If the need is likely to be short-term; or
 - If the customer is able to take steps to reduce their financial hardship.
- 7.5 The awards are normally only intended to be short term awards due to the limited fund available. It is not intended that the reduction will be a long-term solution.
- 7.6 Decisions on awards over £2000 will be recommended for approval to the Cabinet Member for Resources. Decisions on awards less than £2000 will be agreed by the Head of Service of Income and Awards.

8 Payment

- 8.1 In line with legislation, any award shall be granted as a reduction in the liability of the Council Taxpayer thereby reducing the amount of Council Tax payable

9 Reductions in Council Tax liability granted in error or incorrectly

- 9.1 Where a reduction in liability has been granted incorrectly or in error either due to a failure to provide the correct or accurate information to the Council or some other circumstances, the Council Taxpayers account will be adjusted and billed in the normal way.

10 Notification of a reduction in liability

- 10.1 The Council will notify the outcome of each application in writing. The notification will include the reason for the decision and advise the applicant of their appeal rights.
- 10.2 If a Council Taxpayer is aggrieved by the Council's decision a written request for a review of its decision can be submitted if it is made within 2 months of the original decision. If the original decision is upheld and the council tax payer remains aggrieved, there is a further right of appeal to the Valuation Tribunal.

11 Appeals

- 11.1 Appeals against the Council's decision may be made in accordance with Section 16 of the Local Government Finance Act 1992.
- 11.2 **The Council Taxpayer must, in the first instance, write to the Council outlining the reason for their appeal. Once received the council will then consider whether any additional information has been received which would justify a change to the original decision and notify the Council Tax payer accordingly.**
- 11.3 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 www.valuationtribunal.gov.uk

12 Fraud

- 12.1 The Council is committed to protecting public funds and ensuring funds are awarded to the people who are rightfully eligible to them.
- 12.2 An applicant who tries to fraudulently claim a reduction in liability by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under The Fraud Act 2006.
- 12.3 Where the Council suspects that such a fraud may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings being instigated.

13 Complaints

- 13.1 The Council's Corporate Complaints and Customer Feedback Policy and Guidance' (available on the Councils website) will be applied in the event of any complaint received about this policy.

14 Policy Review

- 14.1 This policy will be reviewed annually and updated as appropriate to ensure it remains fit for purpose. However, a review may take place sooner should there be any significant changes in legislation.