

Council Tax - Discretionary Reduction in Liability Policy

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1. Purpose of Report

To request that Council agree and adopt the Council Tax Discretionary Reduction in Liability Policy.

2. Public Interest

Section 13A 1c 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. The policy sets out how the Council will deal with applications under these discretionary powers.

3. Recommendations

That Council confirm and agree:

- (a) that the proposed Council Tax Discretionary Reduction in Liability Policy be adopted.
- (b) that decisions on groups of applicants be delegated to District Executive.
- (c) that decisions on individual applications be delegated to the Revenues and Benefits Manager in consultation with the Portfolio Holder for Finance and Spatial Planning.

4. Background

In accordance with Section 13A 1a of the Local Government Finance Act 1992, the Council has a Council Tax Reduction Scheme which provides support, through a discount, to those deemed to be in financial need. The Scheme, which is set on an annual basis has been designed to take into account the financial and specific circumstances of individuals through the use of applicable amounts, premiums and income disregards.

Section 13A 1c 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.

These discretionary awards can be given to:

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

5. Use of the policy

This policy formalises how the Council will deal with any request for a discount under these regulations.

Members have previously used these powers to implement a reduction in liability to a specific group of Council Tax payers where they were affected by the flooding last winter.

Members will be able to use the policy to exercise the Council's powers to introduce discounts for certain groups of Council Tax payers as appropriate.

Council tax legislation provides a wide range of discounts, exemptions and reductions that have the effect of reducing the level of council tax due, including the Council Tax Reduction Scheme. Applications will be accepted under this policy for people who have qualified for support under the Council Tax Reduction Scheme but who are still experiencing severe financial hardship.

Applicants will be expected to have exhausted all other options to alleviate their financial situation, e.g. through employment, reducing outgoings or maximising income and other benefits before making an application under this policy.

Officers applying this policy will similarly consider whether alternative actions should be undertaken before applying this policy. As such, this policy will only consider exceptional circumstances, due to financial need or crisis, where it is appropriate and fair to provide a discretionary discount.

6. Risks

There are no risks associated with adopting this policy.

7. Financial Implications

The cost of this policy is borne by the Council, unless otherwise reimbursed by Government, and the decision to provide a discount will be considered against the needs of other local taxpayers and the financial constraints of the Council.

8. Corporate Priority Implications

None associated with this report

9. Carbon Emissions and Climate Change Implications

None associated with this report

10. Equality and Diversity Implications

The policy is open to all Council Tax Payers in South Somerset and in particular supports the most vulnerable.

11. Background Papers

Report to District Executive – 8th January 2015