



South Somerset District Council

Policy Name: Council Tax – S13A 1 C

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1.0 Introduction

- 1.1 The following policy outlines the Council's approach to granting discretionary reductions in liability for Council Tax under S13A (1) (c) of the Local Government Finance Act 1992 (as amended). The Council has the ability to the reduce liability for Council Tax in relation to individual cases or class (es) of cases that it may determine where national discounts and exemptions cannot be applied.
- 1.2 This policy is basically divided into three main areas namely:
- (a) **The Flood Recovery Framework** – this part of the policy covers situations outlined by Central Government where any parts of the Council's area were to be designated as a designated flood area;
 - (b) **Care Leavers** – this part of the policy applies to circumstances where the Council supports certain Care Leavers; and
 - (c) **Granting of reductions in Council Tax liability in all other circumstances** - this part of the policy applies to all other circumstances where an application is made to the Council for a reduction in Council Tax liability under S13A (1) (c) of the Local Government Finance Act 1992 other than in respect of (a) above.

2.0 Legislation

- 2.1 The relevant legislation (S13 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;

(a) in the case of a dwelling situated in the area of a billing authority in England, is to be reduced to the extent, if any, required by the authority's council tax reduction scheme;

(b) in the case of a dwelling situated in the area of a billing authority in Wales,

(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.

- 2.2 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.

- 2.3 It should be noted that the Council maintains a separate Exceptional Hardship Fund within its Council Tax Reduction scheme should any applicant require additional assistance **and** suffer exceptional hardship.

3.0 Finance

- 3.1 Any amounts granted under S13A (1) (c) are normally financed through the Council's general fund and do not form part of the collection fund. In certain circumstances, Central Government provides funding directly to the Council to compensate for specific events such as in the case of severe flooding. Where this is available, the Council will look to use **all** funding provided.
- 3.2 Any additional assistance, outside of the funding, would fall to be paid by the Council itself.

4.0 The Flood Recovery Framework

- 4.1 In a severe weather event with significant wide area impacts, local authorities may need central support to help their communities and businesses return to normal. Building on these principles, a core package of business and community recovery support has been developed by Central Government to serve as a framework for flood recovery funding when needed.
- 4.2 It will be for Government Ministers to determine when this support will be made available. Weather incidents with localised impacts will not usually trigger a recovery support package.
- 4.3 In relation to Council Tax, Central Government have developed a Council Tax discount package that is available under S13A (1) (c).

Who is eligible for a council tax discount?

- 4.4 Where the Council Tax Discount Scheme is activated following severe weather, MHCLG will refund eligible local authorities for granting discounts in the following circumstances:
- (a) 100% discount for a minimum of 3 months, or while anyone is unable to return home if longer, for **primary residences** whereas a result of the relevant weather event:
- Flood water entered into the habitable areas; or,
 - Flood water did not enter into the habitable areas, but the local authority regards that the residence was otherwise considered **unliveable** for any period of time. **AND**
- (b) 100% council tax discount on temporary accommodation for anyone unable to return to their home, in parallel with the discount on their primary residence where applicable.

- 4.5 Second homes and empty homes will **not** be eligible.
- 4.6 Instances where households might be considered **unliveable** could include:
- where access to the property is severely restricted (e.g. upper floor flats with no access);
 - key services such as sewerage, draining, and electricity are severely affected;
 - the adverse weather has resulted in other significant damage to the property such that it would be, or would have been, advisable for residents to vacate the premises for any period of time, regardless of whether they do vacate or not;
 - flooded gardens or garages will **not** usually render a household eligible but there may be exceptions where it could be demonstrated that such instances mean effectively that the property is unliveable.
- 4.7 It will be for the Council to determine eligibility under the scheme.

Properties affected by multiple instances of flooding

- 4.8 Residences impacted in multiple flood events will not be precluded from repeat support where this is made available by Government in respect of separate weather events.
- 4.9 Where the scheme is activated for two separate instances of flooding within 3 months of each other, the two discount periods will run concurrently. For example, if the second flood event occurred after 2 months, flooded properties already receiving support could be eligible for another 3 months' discount, making the total period of reimbursement 5 months.

Funding

- 4.10 In such cases, Central Government will make payment to the Council via a Section 31 grant.

The Council's Policy in respect of the Flood Recovery Framework

- 4.11 The Council shall operate the scheme strictly in accordance with Central Government guidelines.

5.0 Care Leavers

Background

- 5.1 A report written by the Children's Society in 2015 (The Wolf at the Door, how council tax debt collection is harming children) suggests that Care Leavers are a particularly vulnerable group for council tax debt. It found that when the Care Leavers move into independent accommodation and begin to manage their own budget fully for the first time that in particular, they are falling behind on their council tax.
- 5.2 The Children's Society report made a number of recommendations including making care leavers entitled to a council tax discount. This would help to relieve some of the initial pressure and would be part of other financial support made available to care leavers.
- 5.3 From April 2019, following agreement at District Executive in January 2019 a reduction in liability for Care Leavers was introduced and awarded under section 13A (1) (c) Local Government Finance Act 1992 as follows:

April 2019 to 31st March 2022

- 5.4 A 100% reduction in liability is awarded to any Care Leaver who:
- (a) has a liability for Council Tax;
 - (b) who is living on their own in a dwelling; and
 - (c) is between the ages of 18 and 21.
- 5.5 This is awarded regardless of their income.
- 5.6 Once the Care Leaver reaches the age of 22 the discount is on a sliding scale until the age of 24.
- 5.7 For Care Leavers that are aged 22 and 23, they receive a 50% reduction in liability in addition to their Single Person Discount.
- 5.8 Care Leavers who are aged 24 receive a 25% reduction in liability in addition to their Single Person Discount.
- 5.9 For those aged 25 and over, no further reduction in liability applies and they solely receive the Single Person Discount, if still residing in a dwelling on their own.

From 1st April 2022

- 5.10 Following an approach by the leaving care team at Somerset County Council, the Council has decided to award a reduction in liability of 100% (after Single Persons Discount is applied) for all care leaver cases where they live alone up until they turn 25 years of age.

Eligible Care Leavers

- 5.11 Eligible Care Leavers will **only** be those identified by Somerset County Council and notified to the District Council as such.

6.0 Applications for S13A (1) (c) in other cases

- 6.1 Where the Council receives an application for a reduction in liability in any other case, all applications will be treated on their individual merits.
- 6.2 The Council has the ability to reduce the liability of:
- 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
- 6.3 In all such cases, the Council will require the applicant (s) (where appropriate) to:
- Make a formal application for Council Tax Reduction in an appropriate format;
 - Consider potential changes in payment methods and payment arrangements;
 - Assist the Council to minimise liability by ensuring that all discounts, exemptions and reductions are properly granted;
 - Maximise their income through the application for other welfare benefits;
 - Have taken all reasonable steps to resolve their situation prior to application;
 - Provide evidence of exceptional financial hardship or exceptional personal circumstance that would merit a reduction in the Council Tax liability; and
 - Not have access to assets, capital or other financial remedy that could be used to meet the Council Tax liability;
- 6.4 The circumstances affecting the ability to meet Council Tax liability must not be intentional by the applicant and must be deemed to be out of the applicant's individual control.

7.0 Delegated Powers

- 7.1 Officers will assess and determine all exceptional financial hardship applications from individuals.
- 7.2 The Council's Section 151 Officer has delegated powers to make technical changes to this scheme.

8.0 Notification

- 8.1 In all cases, the Council will issue a written decision letter to the applicant within one month of the request or as soon as practicable thereafter. This will include:
- the level of the award, if relevant;
 - full reasons for the decision;
 - how it will be paid; and
 - information about how to ask for a review of the decision.

9.0 Review of Decisions

- 9.1 Where any application is refused, the applicant will be notified that they can ask for the decision to be reviewed. Any request for a review must be made, in writing or by email, within one month of the decision letter.
- 9.2 An officer shall undertake the review and shall respond within two months and will have regard to any further evidence supplied.
- 9.3 If the applicant is dissatisfied with the outcome of the review, they can, within two months of the Council's reply, appeal to the independent Valuation Tribunal Service to consider their case.

10.0 Duration of Reduction

- 10.1 The duration of any award will depend on the circumstances of each case. However, in all cases the following principles will apply:
- (a) Where the reduction is applied under a Central Government Scheme, the reduction shall be applied to the Council Tax account for the period specified in Government guidance or until as such time as Central Government finance is exhausted. This will not however prevent further applications under this policy on an individual basis;
 - (b) In all other cases,
 - (i) the application for the reduction can only relate to the current Council Tax financial year in which the application is made unless the delay was due to an exceptional circumstance; and
 - (ii) If an application is successful, the award period will be specific to the applicant's circumstances, but it cannot exceed a period greater than the financial year it has been awarded in or exceed the total Council Tax charge for that period.

11.0 Changes in circumstances and misrepresentation

- 11.1 A reduction in liability under S13A (1) (c) can be recovered if it has been made as a result of misrepresentation or failure to disclose a material fact, either fraudulently or otherwise. It can also be recovered as a result of the subsequent application of a national discount or adjustment in banding by the Valuation Office Agency
- 11.2 Changes of circumstances that subsequently negate the need for a reduction in liability under this policy will be recovered by the Council. Where this occurs, the Council shall notify the taxpayer accordingly.
- 11.3 Reductions in liability are not transferable following a change in address.
- 11.4 The Council reserves the right to recover any reductions in liability as a result of a change in legislation or regulation.
- 11.5 The Council is mindful that it is important to protect public funds and, as such, will take action to prosecute any case where the applicant acts fraudulently in applying for a reduction in Council Tax liability.