

Bromsgrove District Council

Council Tax Section 13A(1)(C) Policy

1. Purpose and Scope

This policy sets out Bromsgrove District Council's approach to awarding discretionary council tax reductions under Section 13A(1)(C) of the Local Government Finance Act 1992.

It applies to all council taxpayers who may be eligible for reductions and provides a clear framework for:

- The criteria for awarding relief.
- The application and evidence process.
- Governance and decision-making arrangements.

The council aims to use its discretionary power to:

- Prevent homelessness.
- Support vulnerable residents to retain their place in the community.
- Assist customers during personal crisis and exceptional circumstances.
- Promote financial independence through short-term relief.
- Provide compassionate support for residents diagnosed as terminally ill.

2. Legislative Framework

The power to provide discretionary reductions to council tax was introduced by the Local Government Act 2003, which inserted section 13A into the Local Government Finance Act 1992. The Local Government Finance Act 2012 retained this power within section 13A(1)(C).

Under 13A(1)(C) a billing authority may reduce the council tax payable by any amount it considers appropriate. This power can be applied:

- To a defined class of cases.
- On a case-by-case basis.

The Collection Fund (Council Tax Reductions) (England) Directions 2024 require that, except in specific cases related to the removal of tax credits, the cost of reductions under section 13A(1)(C) is borne entirely by the billing authority. This means the district council must reimburse the precepting authorities for any council tax income lost through discretionary reductions.

3. Principles for Awarding Discretionary Relief

When awarding discretionary reductions, the council will apply general principles and consider relief where:

Worcestershire County Council Care Leavers

A discretionary reduction will be provided to care leavers under the age of 25 who were supported by Worcestershire County Council. The discount will be provided in-line with the care leavers concordat for the care leaver's sole or main residence.

Eligibility Criteria

- The applicant must be under 25 years of age
- Worcestershire County Council must have acted as the corporate parent.

Conditions

- The care leaver must claim Local Council Tax Support (LCTS) first. The discretionary reduction will be considered after LCTS, and all other applicable discounts or exemptions have been applied.
- Worcestershire County Council must confirm support for the award of any reduction.

Amount of Reduction

- A qualifying care leaver who is the sole resident of a property will receive a 100% discount.
- Where the care leaver shares liability (e.g. joint tenants) the discount will be proportional. For example, if two people are jointly liable and one is a care leaver, the discount will cover 50% of the council tax charge.

Special Circumstances

- If a care leaver under 25 moves in with a parent or grandparent and this results in the loss of a single person discount, or disregard discount, Section 13A(1)(C) will be used to provide an equivalent discount.

Policy Updates

- Support for care leavers will be amended as necessary to reflect any changes to the Worcestershire County Council Care Leavers Concordat.

Flood Recovery Framework

In a severe weather event with significant wide-area impacts, the Government may activate the Flood Recovery Framework. Section 13A(1)(C) powers will be used to provide support to qualifying households in accordance with central government rules.

Eligibility Criteria

Reductions will be provided in-line with the Flood Recovery Framework and the circumstances for providing relief will be:

- The property is the taxpayer's primary residence; and
- The property is uninhabitable due to flooding because:
 - Flood water entered habitable areas; or
 - Flood water did not enter habitable areas, but the local authority determines the property was otherwise unliveable for a period of time.
- The property is temporary accommodation for a household unable to return to their home due to flooding.

Conditions

- Second homes and empty homes will not be eligible.

Amount of Reduction

- Primary residence: 100% reduction for a minimum of three months, or while the household is unable to return to its primary residence.
- Temporary Accommodation: 100% council tax discount on any temporary accommodation for households unable to return to their home.

Special Circumstances

- Where a government scheme has been activated for 2 separate instances of flooding within 3 months, the 2 discounts would run concurrently.
- Where discount is still required after 15 to 18 months Government may ask for additional information to support the discount.

Terminal Illness Support

A discretionary reduction will be considered where a liable person has been diagnosed as terminally ill and a medical professional has confirmed they have less than 12 months to live.

Eligibility Criteria

- The dwelling is the sole or main residence of a liable person diagnosed as terminally ill; and
- A medical professional has confirmed terminal illness by completion of an SR1 medical report.

Conditions

- Reductions for terminal illness will not be provided for second homes or empty homes.

Amount of Reduction

- Where the liable person is terminally ill and forms part of a single household with the other residents of the dwelling a reduction of up to 100% will be considered.
- Where the liable person is terminally ill and does not form part of a single household with the other residents a proportional reduction will be considered.

Special Circumstances

- Determination of reduction will not be limited to an assessment of health status of members of the household; consideration will be given to the financial circumstances of the household.

Government Schemes of Support

The council will implement any Government-funded discount schemes in line with guidance issued by central government. Where schemes include discretionary funding, allocation guidelines will be determined by the Assistant Director Finance and Customer Services in consultation with the relevant portfolio holder.

Examples:

- Covid-19 Hardship Fund.
- Council Tax Hardship Support Fund.

Other Cases (Extreme Hardship)

The council will consider a discretionary reduction where:

- The taxpayer has an outstanding council tax balance and faces extreme financial hardship.
- The household members cannot contribute towards payment.
- Recovery action would result in severe hardship.
- There is no access to assets or funds to meet liability.
- There are no alternative means of securing payment of council tax.
- The taxpayer is unable to restructure payments or debts.
- The taxpayer demonstrates they have no available income to pay their council tax.

Evidence Required:

- Full income and expenditure details.
- Asset and capital evidence.
- Utility and household bills.

4. Relationship to Other Schemes

Section 13A(1)(C) reduction will be considered after applications for:

- Council Tax Discounts and Reductions
- Local Council Tax Support
- Discretionary Housing Payments
- Exceptional Hardship and Essential Living Funds
- Discretionary Council Tax Support provided under Government funded schemes.

5. Applications and Evidence

Taxpayers, or an authorised representative, must apply for the discretionary reduction in writing, clearly setting out the circumstances on which the application is based. This application will be in addition to any application for Local Council Tax Support (LCTS)

Where the initial application indicates a discretionary reduction may be appropriate, the council will request further evidence which may include (but is not limited to):

- Household composition and income/expenditure details for all members of the household.
- Evidence of all capital and assets of the taxpayer, including mortgage balances and property value where property is owned.
- Income and expenditure for the period relevant to the application up to the current date.
- Utility and household bills.

6. Amount of Award and Duration

The amount and duration of the reduction will be determined at the council's discretion, based on the evidence supplied and the circumstances of the claim.

The reduction will be calculated as a daily amount, and the taxpayer will be notified on the basis that their circumstances remain unchanged for the remainder of the tax year.

Where the reduction ends before the end of the tax year, the taxpayer will be notified of the end date, and the reduction will be apportioned accordingly.

The reduction will end if:

- The tax year for which the reduction was made ends.
- The liable person changes or an additional resident joins the household.
- The council taxpayer enters any form of insolvency process.
- The council taxpayer's finance circumstances significantly alter.
- The liability for council tax ends.

7. Backdating

Section 13A(1)(C) reductions will, where applicable, be backdated to the start of the tax year in which the application is made.

Where a new liability has been created for a previous tax year, backdating will be considered if the application is made within six months of the notification of liability.

Backdating for periods before the tax year in which the application is made, or outside of the six-month window, will be considered where the taxpayer demonstrates continuous exceptional hardship. Evidence will be required for the entire period.

8. Notification of Award

The council will notify the outcome of each application **in writing**, including:

- The reason for the decision.
- The period of the award and the end date (if applicable).
- A reminder that the taxpayer must inform the council of any relevant changes in circumstances.
- Details of the appeals process.

9. Appeals

Appeals against the council's decision may be made under Section 16 of the Local Government Finance Act 1992:

- The taxpayer must first appeal in writing to the council, stating reasons for disagreement.
- The council will reconsider and notify the outcome in writing.
- If the taxpayer remains dissatisfied, they may appeal to the Valuation Tribunal within two months of the council's decision.
- If the council does not respond within two months, the taxpayer may appeal directly to the Valuation Tribunal.

10. Fraud

The council is committed to protecting public funds and ensuring funds are awarded only to eligible applicants. Any applicant who fraudulently claims a reduction by providing false information or evidence may have committed an offence under the Fraud Act 2006. Suspected fraud will be investigated and may lead to legal proceedings.