

## **Council Tax: Discretionary Reduction Policy – Section 13A(1)(c) Local Government Finance Act 1992**

### **1. Background**

Section 13A(1)(c) of the Local Government Finance Act 1992<sup>1</sup> [“13A(1)(c)”] as amended provides powers to the Council to reduce the amount of council tax payable for an individual or class of persons.

13A(1)(c) may be used for individual cases or the council may determine classes of case for which liability may be reduced.

The authority to make these awards is delegated to the Corporate Director of Customer and Digital Services in consultation with (?) the Corporate Director of Finance and Resources.

This policy notes there is a difference between writing off an uncollectable debt and reducing the amount payable under this provision. A write-off may be processed where a Council Tax amount is uncollectable, e.g. deceased, bankrupt, vacated and forwarding address unknown, etc. However, a reduction under section 13A(1)(c) will normally be applicable where the taxpayer has a continuing liability for the property.

Unless other non-council funding available, the cost of awards under this policy is borne in its entirety by the Council and therefore its council taxpayers. The granting of 13A(1)(c) reductions must be balanced against their financial impact on residents and will therefore only be granted in the circumstances described in this policy.

The Council makes a sum of money available each year for the provision of 13A(1)(c) reductions.

### **2. How to claim a discretionary reduction**

The application should usually relate to the current council tax year.

It must be made in writing by the taxpayer or by someone authorised to act on their behalf to the principal council tax office and titled “Section 13A(1)(c) Application”. Information is provided on the Council’s website for this purpose: [Help paying your Council Tax | Brent Council](#)

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<sup>1</sup> 13A 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.

...

(6) The power under subsection (1)(c) above includes power to reduce an amount to nil.

(7) The power under subsection (1)(c) may be exercised in relation to particular cases or by determining a class of case in which liability is to be reduced to an extent provided by the determination.

The Council may request any reasonable evidence in support of an application. Separate claims must be made in respect of different dwellings and/or council tax accounts.

### **3. Discretionary Relief Policy**

#### **3.1. Individual cases**

The Council considers all claims for relief and considers them on the particular circumstances of the council taxpayer. However, some or all of the following criteria shall be met for each case:

- i. There must be evidence of financial hardship or personal circumstances that justifies a reduction in council tax liability. Where an application is made in respect of financial hardship, evidence of all income and expenditure will be required to enable a full assessment to be undertaken, examples would include:
  - a. Fire and flood
  - b. Domestic violence
  - c. Losses due to theft
  - d. Safeguarding
  - e. The above list is not exhaustive and officers will use their discretion in reviewing applications
- ii. The taxpayer must satisfy the Council that all reasonable steps have been taken to resolve their situation prior to application
- iii. All other eligible discounts/reliefs/benefits have been awarded including Council Tax Support (CTS).
- iv. The taxpayer does not have access to other assets that could be used to pay council tax
- v. Can the situation be resolved by some other legitimate means, such as the complaints procedure, if it can it is unlikely that an award will be made
- vi. The situation and reason for the application must be outside of the taxpayer's control
- vii. The amount outstanding must not be the result of wilful refusal to pay or culpable neglect
- viii. The power to reduce under this section will be considered taking account of all circumstances and any reduction will take into consideration the borough's council taxpayers
- ix. Relief will only be applicable to the council taxpayer's primary home

#### **3.2. Classes of reduction**

##### **3.2.1. Council Tax Support Fund 2023/24 only**

This section (3.2.1) applies only to the financial year 2023/24 and payments made in that year. No application is required where the council tax account holder is in receipt of CTS and has an amount to pay after CTS has been applied. These hardship payments are made as a reduction to council tax liability in accordance with government guidance and they shall not exceed £25 per council tax account holder. The government has allocated the Council the sum of £722,000 for this purpose. The guidance allows for the Council to use any remaining funding to further its own approach to supporting economically vulnerable households with council tax bills. The Council will do this by making 13A(1)(c) awards following successful applications to the Council's Resident Support Fund.

##### **3.2.2. Care Leavers**

A discretionary relief is awarded to Brent care leavers aged between 18 and 24 years old who are liable for council tax in the borough. To be eligible the care leaver must be liable for council tax and have previously been in the care of Brent Council. Brent care leavers resident outside the borough, or care leavers resident in Brent who have left another authority's care, are not eligible. The amount of relief is applied after all other discounts have been awarded and there is an amount to pay. If a care leaver is already in receipt of an exemption no relief is awarded. However, should that exemption end the care leaver would then be entitled to care leaver relief if they remain liable for council tax. The relief is awarded up until the end of the current financial year or on the care leaver's 25<sup>th</sup> birthday, whichever is earliest. Eligible care leavers are identified by the Council and relief is awarded automatically with no application needed. However, any care leaver who believes they qualify but have not received any relief should contact the council tax team. Section 13A (1)(c) of the Local Government Finance Act 1992 allows the Council to reduce the amount payable, but not to amend who is named on the bill. The relief is applied to the council tax account and as a result, relief would still be applied where a care leaver and a non-care leaver are jointly liable for the council tax bill.

#### **4. Amount of relief**

The eligibility criteria is set out in paragraph 3. Any relief to be awarded is entirely at the Council's discretion, up to and including reducing liability to nil. The decision will be made, wherever possible, by front line staff dealing directly with taxpayers. Taxpayers will also be considered for Discretionary Housing Payments and Resident Support Fund (Local Welfare Assistance) where available and appropriate.

All taxpayers are entitled to make an application for a discretionary Council Tax relief reduction. Although the discretionary reduction will only be granted to taxpayers in exceptional circumstances and will only normally be for a short period.

#### **5. Decision**

The local authority must notify its decision to the applicant in writing within 14 days or as soon as it is reasonably practicable to do so. The letter must make it clear to the applicant, that there is a requirement to report any relevant changes in circumstances, and the implications if s/he does not do so, and how an appeal against the decision may be made.

#### **6. Appeal**

Under Section 16 of the Local Government Finance Act 1992, there is a right of appeal if a customer applying for a discretionary reduction under Section 13A(1)(c) is aggrieved by the Council's decision. The appeal must be in writing to the council. The Council will then consider whether the customer has provided any additional information against the required criteria that will justify a change to its decision. If the original decision is upheld and the customer remains aggrieved, there is a further right of appeal to a valuation tribunal. This includes a decision on the exercise of an authority's discretion, that there is a liability for council tax, or the amount of council tax payable, as long as:

- i. The Council will not allow an appeal
- ii. The applicant is not satisfied with the steps your local authority is taking to resolve your grievance
- iii. No decision to the appeal has been given and it has been more than two months

All appeals to the Valuation Tribunal are required to be made in writing. Time limits to appeal to the valuation tribunal will vary depending on the reason you are making the appeal and the response of the Council.

An appeal against the decision of the Valuation Tribunal can be made to the Upper Tribunal and to the High Court if the appeal is in respect of a point of law only.