

LOCAL DISCOUNTS

1.0 Summary

- 1.1 Section 13A(1)(c) of the Local Government Finance Act 1992 gives the Council a discretion to reduce the amount of Council Tax payable on any dwelling in its area in relation to particular cases or classes of case.
- 1.2 As a consequence of the Council Tax Support changes coming into effect from 1st April 2013 and in accordance with good practice, this report details the statutory provisions giving rise to this report and recommends the criteria and policy to be taken into account when considering such applications. The Council has not previously agreed a policy in respect of this provision.

2.0 Recommendations

- 2.1 That applications for reducing Council Tax payable by persons of pensionable age in receipt of a war widows, war widowers or war disablement pension in accordance with section 13A(1)(c) of the Local Government Finance Act 1992 to the level as set out in paragraph 3.6 of this report be approved.
- 2.2 That decisions on other individual applications for reducing Council Tax payable in accordance with section 13A(1)(c) of the Local Government Finance Act 1992 be delegated to the Director of Finance and Corporate Services as set out within this report.

3.0 Details

- 3.1 Under section 13A of the Local Government Finance Act 1992 as inserted by Section 10 of the Local Government Finance Act 2012, the Council has the discretion to reduce the amount of Council Tax payable over and above that provided for within the Council's Local Council Tax Reduction Scheme ("CTRS").
- 3.2 This discretion to award a reduction can be exercised in relation to particular cases or by determining a class of case and the reduction includes the potential to reduce an amount payable to nil.
- 3.3 From 1st April 2013 the current national Council Tax Benefit scheme will be replaced with a local CTRS. The regulations governing the new local CTRS scheme prescribe a national framework for calculating entitlement for persons of pensionable age. However, a small number of existing Council Tax Benefit claimants in receipt of a war widows, war widowers or war disablement pensions may be worse off as a consequence where they are not in receipt of Pension Credit Guarantee Credit (PCGC). This is because in these circumstances, under the existing Council Tax Benefit Regulations the Council has operated a local scheme set by resolution of the Council, which enables the income from these pensions to be disregarded in full, when

determining entitlement. Under the new CTRS arrangements for persons of pensionable age not in receipt of PCGC, only £10 of such weekly incomes would fall to be disregarded.

- 3.4 Whilst there are only currently 6 cases that are currently adversely affected by this change, their entitlement to a reduction under the CTRS rules from 1st April 2013 will be affected if the recommendations set out within this report are not agreed.
- 3.5 There are a further 5 cases that are in receipt of one of these pensions although as they are in receipt of PCGC, their income is disregarded in full anyway, and thus they will see no change in their entitlement.
- 3.6 It is therefore proposed that persons of pensionable age as defined within the Council's CTRS scheme and not in receipt of PCGC be granted a Council Tax reduction equivalent to the difference between their current entitlement to CTRS and any amount of CTRS that they would have been entitled to had their war pension been disregarded in full.
- 3.7 Additionally, Council Tax Payers may also seek to apply for a Council Tax reduction under Section 13A(1)(c) in relation to other exceptional and extenuating circumstances with each case being considered on its own merits. Examples where applications may be considered could include for example properties affected by natural disasters such as fire, flood or storm that were beyond the control of the occupier.
- 3.8 It should be noted that there is a difference between writing off a non-collectable 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.
- 3.9 To enable ad hoc applications for a reduction received under 3.7 above to be considered in a timely manner, it is proposed that delegated powers for considering these be given to the Director of Finance and Corporate Services.

4.0 Financial Implications

- 4.1. The cost of any reduction granted under Section 13A(1)(c) will be funded within the CTRS budget provision with any deficit arising being borne by the general fund. The anticipated annual cost of awarding relief to those existing cases affected by the changes to war widow's, war widower's and war disablement pensions for 2013/14 is approximately £6,260.
- 4.2 Any other applications that may be received under Section 13A(1)(c) would need to be considered on their individual merits and financially accounted for as set out in paragraph 4.1 above .

5.0 Staffing Implications

- 5.1 The additional administrative work of receiving and processing applications can be contained within the existing resource within Brent Customer Services.

6.0 Legal Implications

- 6.1. Section 10 of The Local Government Finance Act 2012 provides for the following:

(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)— .

(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 (see subsection (2)); .

(b)in the case of a dwelling situated in the area of a billing authority in Wales, is to be reduced to the extent, if any, required by any council tax reduction scheme made under regulations under subsection (4) that applies to that dwelling; .

(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.

- 6.2 The above provisions therefore give the Council a discretionary power to reduce the amount of Council Tax payable from 100% to nil for either an individual case or to a specific council defined "class".

- 6.3 If an application is refused the Council may consider any representations made where new or additional information is received in relation to a previous decision made.

- 6.4 As the recommendations in section 2 of this report are technically not part of the Council's Council Tax Support scheme under section 13A(1)(a) of the Local Government Finance Act 1992 ("LGFA 1992"), the Executive has the power to make the decisions set out in the said recommendations. Decisions under section 13A(1)(c) of LGFA 1992 are not reserved to Full Council and this is confirmed in section 67 of the 1992 Act.

7.0 Diversity Implications

- 7.1 A full Equality Impact Assessment was carried out in respect of the Council Tax Support scheme and its impact upon working age Benefit applicants. Additionally, the report to Full Council on 10th December 2012 identified a potential adverse impact to pensioners currently attracting a full income disregard of the pensions specified in paragraph 3.3 above. The Equalities Impact Assessment and details of the potential implications for pensioners are set out in respective reports to the Council's Executive meeting on 15 October

2012 and the Full Council meeting on 10 December 2012 in relation to the Council's CTRS. These proposals will ensure that this particular group of pensioners will be protected from this adverse impact, ensuring that they are no worse off and that there will be no adverse impact on this group.

- 7.2 The public sector equality duty, as set out in section 149 of the 2010 Act, requires the Council, when exercising its functions, to have "due regard" to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who have a "protected characteristic" and those who do not share that protected characteristic. It is considered that this proposal if agreed, will further that objective.

8.0 Background Information

- 8.1 Report to Full Council 10th December 2012 – Local council tax Reduction Scheme and associated documents