

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 1992¹ (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.

The authority to make these awards is delegated to the Strategic Director of Customer and Digital Services in consultation with the Director of Finance.

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 Application". Information is provided on the Council's website for this purpose: <https://www.brent.gov.uk/services-for-residents/council-tax/having-difficulty-in-paying/>

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.

¹ 13A Billing authority's power to reduce amount of tax payable

(1)Where a person is liable to pay council tax in respect of any chargeable dwelling and any day, the billing authority for the area in which the dwelling is situated may reduce the amount which he is liable to pay as respects the dwelling and the day to such extent as it thinks fit.

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

(3)The power under subsection (1) 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]

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. Any relief to be awarded is entirely at the Council's discretion, up to and including reducing liability to nil, with a requirement for some or all of the following criteria to 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 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 tax payers
- ix. Relief will only be applicable to the council tax payer's primary home

3.2. Classes of reduction

3.2.1. Covid-19 Pandemic

This section (3.2.1) applies only to the financial year 2020/21 and payments made in that year. No application is required. Hardship payments are made as a reduction to council tax liability in accordance with government guidance. In summary, Council Taxpayers of working age in receipt of Council Tax Support during the 2020/21 financial year will receive up to £150 as a hardship payment. Where the remaining liability is £150 or less only the remaining liability is paid. During 2020/21 further discounts of up to £150 will be paid as they become eligible to CTS and of working age during 2020/21 financial year. Where liability is less than £150, the support is limited to the level of liability.

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 as part of "Local Offer" for Care Leavers. 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 are supported using a different mechanism². The relief is applied after all other discounts have been awarded and there remains an amount to pay. If a care leaver is already in receipt of an exemption no relief is awarded. 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 25th birthday, whichever is earliest. Eligible care leavers are identified by the Council and relief is awarded automatically with no application needed. 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 a Discretionary Housing Payment and 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 this appeal and whether the customer has provided any additional information against the required criteria that may 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 has disallowed the original appeal
- ii. The applicant is not satisfied with the steps your local authority is taking to resolve your grievance

² Brent Care Leavers outside the borough are supported through the Council "Local Offer" for Care Leavers, Cabinet decision 12 February 2018, agenda item 14, a different payment mechanism is used that is outside this policy.

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 in writing. Time limits to appeal to the valuation tribunal will vary depending on the reason given for 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.

The Valuation Tribunal Service has published a booklet (see appendix 1) on preparing for an appeal against a council tax reduction scheme decision, this includes appeals against decisions relating to the Council's policy relating to 13A)(1)(c) and its local council tax support scheme.

Appendix 1



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