

Cheltenham Borough Council

Council Tax Section 13A Policy

(Discretionary Hardship Relief)

1 Introduction

- 1.1 Section 13A(1)(c) of the Local Government Finance Act 1992, as amended by Section 10 of the Local Government Finance Act 2012, gives the council additional discretionary powers to reduce the amount of Council Tax payable for individuals, or for classes of council taxpayer. This includes the power to reduce the amount payable to nil.
- 1.2 This policy sets out the Council's approach to the awarding of discretionary reductions to individuals in respect of a council tax liability. The policy allows the Council to reduce the Council Tax payable on the grounds of hardship or where there are exceptional circumstances. It has been revised due to the introduction of a council tax support banded scheme from 1 April 2019. The Council is required to make a council tax support scheme which provides financial support, through a discount, to those with low incomes who are eligible. The income banded scheme has been designed to take into account the financial and other specific circumstances of individuals. This policy provides further assistance to council tax payers who are facing extreme hardship.
- 1.3 A reduction awarded under this policy is wholly discretionary and the only requirement is that the Council must consider each case on its own individual merits.
- 1.4 The full cost of awarding any Section 13A reductions must be met by Cheltenham Borough Council from its General Fund. The Council must therefore balance the need of the individual council payers requiring support against the interests of the council tax payers generally. Arrangements have been made with Gloucestershire County Council for them to contribute to reductions awarded under this policy to those affected by the changes to the local council tax support scheme.

2 Eligibility

- 2.1 Relief under this policy will only be granted in exceptional circumstances, which includes severe financial hardship or where the council tax payer has been adversely affected by a natural disaster or major event which renders the dwelling uninhabitable, eg flooding.
- 2.2 The applicant must be liable for council tax at the property in respect of which the application is made.
- 2.3 Reductions under this scheme will apply for a temporary period only. They will only be awarded in respect of the financial year in which the application is made and will apply for that financial year only.
- 2.4 Eligibility for all other discounts, exemptions and council tax support will be explored before relief under this policy is considered.

- 2.5 Where the application is due to severe financial hardship the applicant may be expected to accept personal budgeting support from an independent advice agency to enable them to manage their finances more effectively.
- 2.6 From time to time, national schemes may be introduced by Government in response to events or natural disasters, such as flooding. In these cases funding is normally met in full by Government and such schemes will be administered in accordance with instructions and guidance set by Government.
- 2.7 Reduction made under this scheme reduce council tax liability and will not be a cash payment.

3. Consideration of Applications

3.1 Each application will be considered on its own merits and have regard to the factors outlined below:

- The tax payer can demonstrate that their personal circumstances are exceptional and warrant an award being made
- The tax payer is able to demonstrate that all reasonable steps have been taken to meet their full council tax liability including alternative means of financial support
- The tax payer has taken all reasonable steps to avoid or improve their situation
- The tax payer is able to satisfy the Council that they are not able to meet their full council tax liability or part of their liability.
- The tax payer can demonstrate that their current circumstances are unlikely to improve during the period in respect of which the application is made
- Enforced payment of their full council tax liability would result in exceptional hardship as a result of insufficient funds

3.2 Relief under this policy will not be awarded in the following circumstances:

- Where the full council tax liability is being met in full by council tax support
- For any other reason, other than to reduce the council tax liability
- Where the council considers that there are unnecessary expenses and debts and that the applicant has not taken reasonable steps to reduce these
- Where the council tax payer has assets that could reasonably be used to pay the council tax. This includes payment being made from proceeds of sale
- To cover any increase in the council tax payable due to the failure by the applicant to notify changes in their circumstances in a timely manner or where the applicant has failed to act correctly or honestly
- As a means to reduce or remit council tax which can be recovered by the various enforcement methods available to the Council
- Where a council tax or council tax support penalty has been imposed at any time during the financial year where relief is being requested
- To cover court costs or administration fees

4. How to apply

- 4.1 The person(s) liable for council tax, their appointee or representative, will be required to submit an application for discretionary hardship relief to the Council, using the form provided. The application form is available on the Council's website and paper copies will also be made available on request.
- 4.2 The application form must be fully completed and submitted with any supporting information or evidence.
- 4.3 If an applicant needs advice and support in order to complete the claim form or requires an element of personal budgeting and support, they will be referred to one of the Council's partners, CCP, who can offer the support relevant to their needs.
- 4.4 The applicant must provide details of any special circumstances and/or exceptional hardship being experienced and provide evidence to support their application. Evidence required may include, but is not limited to:
- Full details of income and expenditure
 - Full details of any capital and other assets
 - Confirmation of outgoings including debt repayments, outstanding loans and credit card debt
 - Details of personal illness confirmed by a GP
- 4.5 Failure to provide any supporting evidence and information that is requested will lead to the discretionary hardship relief claim being refused unless there are mitigating circumstances which led to that failure. There may be some occasions where relief can be considered based on information already available to officers in the Revenues and Benefits team.

5. Notification of decisions

- 5.1 The Council will aim consider the application and notify the customer of the outcome within 21 days of receipt of the claim and all supporting documentation.
- 5.2 If the claim for relief is successful, the Council's decision letter will include the following:
- The reason for the award
 - The amount awarded
 - The period of the award
 - The applicant's duty to report any changes in circumstances
 - Any conditions associated with the award
 - Details of the right of review

If a claim is unsuccessful, the Council's decision letter will include an explanation of how the decision has been reached and details of the right to request a review.

6. Period of Award

- 6.1 A discretionary hardship relief award will not normally be used to provide long term support for individuals. They will be used to provide short term support to allow people the time to resolve their current financial difficulties and to move to a position which is financially sustainable for them in the longer term.

6.2 The length of time over which an award is made is at the discretion of the Council but will not normally exceed a six month period.

6.3 The applicant will be notified of the period of the award and any specific end date.

7. Decision Making and Disputes

7.1 Applications will be reviewed by a Senior Officer in the Revenues and Benefits team and decisions on awards will be made by the Head of Revenues and Benefits.

7.2 Discretionary hardship relief awards are administered in accordance with the Local Government Finance Act 1992 and are subject to a statutory appeals process. If the applicant disagrees with a discretionary hardship relief decision they must put this in writing giving their reasons. This should normally be received by Cheltenham Borough Council within a month of the date of the decision although more time can be given in exceptional circumstances.

7.3 Where possible the Council will try to resolve the matter by explaining the reasons for the decision to the applicant or their representative, either verbally or in writing. If a decision is formally challenged a reconsideration will be made by the Executive Director Finance and Assets in consultation with the Cabinet Member Finance. The applicant will then be notified of the reconsideration which will clearly state the reasons for the decision made.

7.4 If the applicant remains dissatisfied with the decision, an appeal may be made to the independent Valuation Tribunal. Further details on this process will be notified to the applicant with the outcome of any previous review of the decision.

8. Equalities

8.1 The Council is committed to equality and the fair application of the policy, ensuring that people receive fair outcomes in the standard of service they receive from the Council and equality of access to Council services. This policy is fully inclusive and could support all members of the community, regardless of their race, gender, age, religion or belief, sexual orientation, marital or civil partnership status and/or disability in line with the principles set out in the Equalities Act 2010.

9. Fraud

9.1 The Council takes fraud seriously and has adopted a zero tolerance approach. All allegations of fraud will be investigated; should a person make a false statement or provide incorrect evidence in support of their application for discretionary hardship relief, they may commit a criminal offence. All such instances will be dealt with in accordance with the Counter Fraud and Anti-Corruption Policy and any overpaid monies will be recovered together with any outstanding council tax.