**Chichester District Council**

**Council Tax Section 13A (1) (c) Protocol**

# Background

Section 13A (1) (c) of the Local Government Finance Act 1992 as amended by the Local Government Finance Act 2012 provides billing authorities with the discretion to reduce Council Tax liabilities “to such extent as the authority thinks fit”. This is in addition to the statutory council tax reduction scheme provided for in s13(1)(a). This document outlines guidance to how this discretion will be exercised by Chichester District Council.

The purpose of the discretionary reduction scheme is to provide assistance to Council Taxpayers to help reduce their Council Tax liability. All factors must be considered by the Decision Maker to enable them to reach a fair, reasonable and proportionate decision.

Each application received will be treated on its own merits and all applicants will receive equal and fair treatment.

The cost of any relief must be met by Chichester District Council and, therefore the Council Taxpayers of the district.

There is no statutory right for any Council Taxpayer to receive a discretionary reduction. Neither is there any statutory right for the award of a reduction to be backdated to a period earlier than the date the application is made.

There are no pre-determined criteria, for the award of a discretionary reduction, although a household’s income and expenditure are important, other factors will be considered such as whether the applicant has taken steps to address the issues raised or whether they have recourse to other funds e.g., unclaimed benefits, insurance claims etc. Each application will be considered based upon the individual circumstances of the applicant. Where appropriate other avenues of recovery will be explored.

The Council will give (but not exclusive) consideration to applications where the applicant is experiencing specific, exceptional, or unforeseen situations which then impacts on their ability to meet their Council Tax liability. For example, evidence of ill health (which could be mental or physical) or evidence of vulnerability. S

It should be noted that all information given to the Council will be treated in confidence and in accordance with The Data Protection Act 2018.

Any discretionary reduction awarded is applied as a reduction in Council Tax liability.

**Who can apply for a discretionary reduction?**

The discretionary reduction scheme is available to anyone with a liability to pay Council Tax to Chichester District Council.

This can include:

* A resident freeholder
* A resident leaseholder
* A resident statutory or secure tenant
* A resident licensee
* A resident
* The owner (where the dwelling has no residents)

**When will a discretionary reduction be applied?**

Any remaining Council Tax liability after all other applicable reductions have been applied may attract a discretionary reduction**.** Applicable reductions include:

* Council Tax reduction scheme
* Council Tax statutory exemptions
* Council Tax discounts
* Council Tax disabled band reductions

**Which charges will not generally attract a discretionary reduction?**

A discretionary reduction will generally not be awarded for costs added to a Council Tax account in addition to the annual liability i.e.

* Court costs
* Recovery costs applied to an account (for example the cost for a summons and costs charged by Enforcement Agents)
* Penalty charges levied on an account because of a taxpayer either failing to disclose information or making a false statement

# Classes of person or property who may be awarded a discretionary reduction

A class of case may be determined for a reduction in Council Tax, for example certain groups of people who have reached pension age, or people living in a certain area. Applications may be made by taxpayers, groups of taxpayers, members, or any other person or group.

All applications for establishing a class of taxpayers who will receive a reduction are referred to the Director of Housing and Communities will then decide if the application merits consideration by members. A class of taxpayers will only be determined by decision of Cabinet due to the impact on other taxpayers.

# Application process

An individual applying for a reduction under this provision must-

* Be the person(s) liable for payment of the Council Tax (or their nominee) submit a written application.
* Provide the Council with such information as it may require making an informed decision. Typical information required will be a household income and expenditure statement, utility bills etc. The Council may ask for additional information and/or evidence if it is deemed necessary
* Inform the Council of any changes of circumstance relevant to their application or any subsequent reduction awarded
* Continue to make payments to their Council Tax account while the application is being considered.

# Decision Making

A revenues officer will determine the facts of the case, and will confirm whether all applicable discounts, exemptions or Council Tax reduction have been awarded.

The Revenues and Debt Recovery Manager or Service Manager will consider the case and decide whether the Council Tax should be reduced.

# Decision notification

When a decision has been made, the applicant will be notified in writing of the outcome of their application. The decision will include a statement outlining the reasons for the decision, and what factors have been considered when making the decision.

# Reconsideration of the discretionary reduction decision

If the applicant(s) disagree with a decision, they may request that their application is reconsidered. Any request for reconsideration must be made within one calendar month of the original decision letter being issued. All applications for reconsideration must be made in writing or via email and must outline the reasons the applicant is disputing the decision.

The reconsideration application will be first considered by the Revenues and Debt Recovery Manager or Service Manager who have unfettered discretion to affirm or rescind the original decision or part thereof. If the decision remains unchanged the case will be passed to the Divisional Manger for consideration. This reconsidered decision will be final. The applicant will be notified in writing of the outcome of the reconsideration and the reasons for the decision.

# Appeal against the Council’s decision to the Valuation Tribunal

If, after receiving the reconsideration decision from the Council, an applicant still disputes the decision, they can appeal to a Valuation Tribunal.

The Valuation Tribunal for England is an independent body which adjudicates on disputes between taxpayers and the Council.

Appeals must be made directly to the Valuation Tribunal.

**Decision Recording**

A record will be kept of all decisions made.

# Individuals who may be awarded a discretionary reduction

Applications for a discretionary reduction will be accepted from the person(s) liable for Council Tax for any number of reasons, for example hardship perceived or actual non delivery of local services, local problems such as roadworks or flooding, or even national issues.

# Qualifying criteria

The discretionary reduction scheme is available to those with a liability to pay Council Tax to Chichester District Council.

The Council will consider the applicant’s circumstances which will include –

* Whether the inability to meet the Council Tax liability could be alleviated in another manner, such as the award of a statutory discount, alternative payment arrangements or by pursuing other avenues of financial assistance
* The personal circumstances of the applicant, their partner, and other members of the household
* The income and expenditure of the applicant, their partner and household members
* All financial circumstances of the household, for instance, any savings or capital which could be used to finance the Council Tax liability. Where payments have been made towards the Council Tax prior to the application investigations will be made to clarify how the applicant had afforded to make those payments.
* Whether the applicant’s expenditure includes avoidable expenses which, in some circumstances, may be considered luxuries or lifestyle choices, or that could be reduced to enable the applicant to pay their Council Tax.
* For taxpayers with a joint liability, the circumstances and financial standing of other liable parties and their households.

This list is not exhaustive, and all other relevant factors and circumstances will be considered during the decision-making process. That is, all decisions will be assessed on the merits of the application.

The general starting point for considering an award will be an income and expenditure calculation but this may not always be appropriate. To ensure that decisions are reasonable and proportionate, it may be more appropriate to consider the applicants personal circumstances first and consider why they have requested a discretionary reduction.

# Amount and period of reduction

The amount of reduction awarded is at the discretion of the Council with the maximum award being 100% of the taxpayer’s net liability after exemptions, discounts, reductions, and support have been applied.

All the applicant’s personal circumstances, not just financial, will be considered when considering the period of the reduction and the amount awarded. The decision maker will also consider the consequences of not making an award.

# Start date of reduction

Awards under the discretionary reduction scheme will usually start from the date the Council receives the application form but, but after taking all circumstances into account, the award may be backdated to an earlier date if considered appropriate. For instance, if an applicant could not make a claim immediately due to physical or mental ill health or due to other circumstances beyond their control.

The decision maker will consider the applicants circumstances objectively and award the reduction from an earlier date than the application was received if appropriate.

When an application has been considered and a decision made, it may be applicable to signpost the applicant to free sources of independent money and debt advice. **Subsequent further applications**

Applicants may make further applications for a discretionary reduction under this scheme if their circumstances change and their previous application was refused.

A reduction under this discretionary scheme does not necessarily mean that a further award will be made later.

The Council may be less likely to make a second or further award if the applicant is unable to demonstrate that they have attempted to improve their circumstances. But in any event, all factors as outlined in the application will be considered.

# Overpaid discretionary reductions

Where a reduction has been given and this is later found to be too high, this will generally be recovered from the applicant’s Council Tax account, thus increasing the amount of Council Tax that is due and payable.

The reduction given may have been too high because of:

* Administrative error by the Council.
* As a result of false, inaccurate, incomplete, or misleading information provided to the Council by the applicant or by another person on the applicant’s behalf or at their request.

# Fraud

The Council is committed to the fight against fraud in all its forms. Any applicant who tries to fraudulently claim a Section 13A relief might have committed an offence under the Fraud Act 2006.

If the Council suspects that fraud may have occurred, the matter will be investigated as appropriate, and this could lead to criminal proceedings.

# Monitoring

The Council is committed to its responsibilities to equality and fairness and will ensure that people are treated fairly and given fair chances. The scheme aims to give the fairest outcomes to everyone regardless of race, gender, reassignment, age, disability, religious beliefs, sex, or sexual orientation.

This policy will be monitored and reviewed to ensure it has been applied fairly and consistently.