

SOUTH HOLLAND DISTRICT COUNCIL

Report of: Portfolio Holder for Finance and the Executive Director Commercialisation (S151)

To: Cabinet - 22 March 2016

(Author: Sharon Hammond, Head of Strategy, Revenues and Benefits)

Subject: Council Tax Section 13A Policy

Purpose: To approve the policy in relation to applications for discretionary reduction under Section 13A (1) (c) of the Local Government Finance Act 1992.

Recommendation:

To approve the Council Tax Section 13A Policy.

1.0 BACKGROUND

- 1.1 Section 76 of the Local Government Act 2003 introduced Section 13A (Billing Authority's Power to Reduce Amount of Tax Payable) into the Local Government Finance Act 1992. This provides the council with discretionary powers to reduce the amount of council tax payable to such an extent as it thinks fit, including reducing the amount to zero, where other national discounts and exemptions cannot be applied.
- 1.2 The Local Government Finance Act 2012 inserted a new Section 13A in the Local Government Finance Act 1992, creating two discounts: -
- Local Council Tax Support schemes under Section 13A(1) (a) and (b); and
 - 13A (1) (c) effectively the original Section 13A discount now including provision to further reduce the amount of any reduction provided by S13A (1) (a) and (b).
- 1.3 In accordance with Section 13A (1)(a) of the Local Government Finance Act 1992 (amended), the Council has a Council Tax Support scheme which provides assistance to those deemed to be within financial need. The scheme has been designed to take into account the financial and specific circumstances of individuals with maximum relief of 75%, of the Council Tax liability, available to working age applicants.
- 1.4 Council Tax legislation also provides for a wide range of discounts, exemptions and reductions that have the effect of reducing the level of council tax due. The Policy under Section 13A (1) (c) as shown at Appendix A will require applicants to have exhausted all other options before making an application under this policy.
- 1.5 Officers applying this policy will similarly consider whether alternative actions could be undertaken before applying this policy. As such, this policy will only consider exceptional circumstances, due to financial need or crisis, where it is appropriate and fair to provide a discretionary discount.
- 1.6 Any relief awarded under Section 13A (1) (c) would be intended only as short term assistance and not a means to reduce Council Tax liability indefinitely.

1.7 The Policy Development Panel considered the report and Policy at its meeting on 9th March 2016 and are happy for this to move to Cabinet for approval with no amendment being required.

2.0 **OPTIONS**

2.1 To consider the Policy and make no comment.

2.2 To consider the Policy and make comments where applicable.

2.3 To do nothing.

3.0 **REASONS FOR RECOMMENDATION**

3.1 Having a Policy in place ensures that the Council has a fair approach to dealing with applications for discretionary reduction in Council Tax, and the criteria to which there will be regard.

3.2 The policy is designed to consider discretionary relief only in exceptional circumstances, and ensures through the decision making process that regard is had to ensure all reasonable steps have been taken to resolve personal situations, and that all other eligible reductions have been identified and awarded first.

4.0 **EXPECTED BENEFITS**

4.1 The adoption of a Section 13A policy demonstrates good practice; clarifying the application and decision making process.

5.0 **IMPLICATIONS**

5.1 **Constitution & Legal**

5.1.1 The authority to determine individual applications under Section 13A may be delegated to an officer of the authority under section 101 of the Local Government Act 1972.

5.2 **Corporate Priorities**

5.2.1 Through clear and defined process, the policy will contribute to the following corporate objectives:

- To provide the right services, at the right time and in the right way.
- To develop safer, stronger, healthier and more independent communities while protecting the most vulnerable.

5.3 **Equality and Diversity / Human Rights**

5.3.1 This policy is accessible to all Council taxpayers in the event of financial crisis or event causing exceptional hardship and where other statutory reductions cannot be claimed.

5.4 **Financial**

5.4.1 The full cost resulting from the granting of a local discount or a reduction must be met by the billing authority and cannot be passed onto other major precepting authorities.

- 5.4.2 All costs associated with Council tax discounts & reliefs are examined as part of the annual budget activity.
- 5.4.3 The Collection Fund includes budgets for all major discounts and reliefs including the 13A relief in this report
- 5.4.4 Costs incurred in 2015/16 are £1,200 to date within an annual budget of £2500. The 2016/17 budget is also £2,500 and this will be monitored regularly during the year.
- 5.5 **Risk Management**
- 5.5.1 The adoption of a Section 13A Policy will help to reduce the risk of challenge against process.
- 6.0 **WARDS/COMMUNITIES AFFECTED**
- 6.1 All wards will be affected. Applications for discretionary relief under Section 13A may be made by any Council Tax payer across the South Holland district.
- 7.0 **ACRONYMS**
- 7.1 S13A – Section 13A Local Government Finance Act 1992

Background papers:- None

Lead Contact Officer

Name and Post: Sharon Hammond / Ken Trotter
Telephone Number: 01507 613306 / 01775 764684
Email: sharon.hammond@cpbs.com / ken.trotter@sholland.gov.uk

Key Decision: No

Exempt Decision: No

This report refers to a Discretionary Service

Appendices attached to this report:

Appendix A Council Tax Section 13A Policy