



Sandwell Metropolitan Borough Council

Revenues and Benefits Service Council Tax Discretionary Relief (Under S13a of the Local Government Finance Act 1992)

2021/22



Meeting Ambition 10



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1. INTRODUCTION

- 1.1 Section 13a of the Local Government Finance Act 1992 allows the Council to reduce the amount of Council Tax payable.
- 1.2 Legislation does not dictate the circumstances in which reductions apply and therefore the Council must use discretion in deciding whether or not to use these powers.
- 1.3 The Council is required to pay for any awards applied under this legislation out of its own funds and therefore awards must meet the underlying principal of offering value for money to tax payers.

2. GENERAL PRINCIPALS / REGULATIONS

- 2.1 Section 13a of the Local Government Finance Act 1992 (as amended by section 76 of the Local Government Act 2003) gives power to a Billing Authority (the Council) as below:
 - Where a person is liable to pay Council Tax in respect of any chargeable dwelling for 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.
 - The power under subsection (1) above includes power to reduce an amount to nil.
 - 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. PROCESS FOR SERVICES

3.1 Policy overview

The purpose of this policy is to outline the conditions that should be satisfied in order for Sandwell MBC to consider relief under section 13(a) of the Local Government Finance Act 1992.

The policy is intended to enable the Council to provide relief to those people in need of help due to severe financial hardship and those most vulnerable residents.

Each case will be treated strictly on its own merits in accordance with the criteria and process laid down by the Council.

The features of the Sandwell's Section 13A policy are that:

- It is a discretionary relief - There is no statutory right for any council tax payer to receive a discretionary reduction.
- The operation of the scheme is for the Council to determine
- The Council may choose to vary the way in which funds are allocated according to community needs
- If the applicant is dissatisfied with any decision taken on a claim that they have made they can ask for a review/make an appeal in line with Section 3.4 of the this Policy

Where the scheme relates to a Government Scheme, as referenced but not limited by Section 3.2, the features of the scheme will be as defined by Government or, where local discretion is allowed, as defined by the Council for that specific instance.

Requests for Council Tax Discretionary Relief should be made by contacting the Council to discuss your circumstances. We will issue a 'Section 13A' application form where appropriate, which should then be completed and submitted to the Revenue and Benefits Service.

Criteria for using powers

Each application shall include the following information:

- The amount of relief being requested
- The reason for the request (i.e. why is the relief needed)
- The period of time relief is required (e.g. the full financial year, part of a financial year or some of that period of time)
- The steps that have been taken to meet or mitigate the Council tax liability (i.e. any other discounts or reductions awarded)

3.2 Circumstances where relief will be considered

Exceptional Financial Hardship

In accordance with Schedule 1a of the Local Government Finance Act, the Council has a Council Tax Reduction Scheme which provides support, through a discount, to those deemed to be in need of financial help. The Scheme has been designed to take into account the financial and specific circumstances of individuals through the use of applicable amounts, premiums and income disregards.

Applications will be accepted under this part of the policy from people who have qualified for support under the Council Tax Reduction Scheme but who are still experiencing severe financial hardship. Other taxpayers may also apply, however the Council would normally expect the taxpayer to apply for Council Tax Reduction in any case where there is potential entitlement.

As part of the process of applying for additional support, the taxpayer must supply evidence to substantiate their application including but not limited to:

- Making a separate application for assistance;
- Providing full details of their income and expenditure;
- Being able to satisfy the Council that they are not able to pay their Council Tax either in part or full;
- Accepting assistance from either the Council or third parties such as the Citizen Advice Bureau (CAB) or similar organisations to enable them to manage their finances more effectively including the termination of non essential expenditure;
- Identifying potential changes in payment methods and arrangements to assist the applicant;
- Assisting the Council to minimise liability by ensuring that all discounts, exemptions and reductions are properly granted;
- Being able to demonstrate that all reasonable steps have been taken to meet their full Council Tax liability including applications for employment or additional employment, alternative lines of credit;
- Having no access to assets that could be realised and used to pay their Council Tax;

- Maximising their income through the application for other welfare benefits, cancellation of non-essential contracts and outgoings and identifying the most economical tariffs for the supply of utilities and services generally.

The Council will be responsible for assessing applications against this policy and an officer will consider the following factors in the decision making process:

- Current household composition and specific circumstances including disability and/or caring responsibilities;
- Current financial circumstances;
- Determine what action(s) the applicant has taken or needs to take to alleviate the situation;
- Consider alternative means of support that may be available to the applicant by:
 - Re-profiling council tax debts and/or other debts;
 - Applying for a Discretionary Housing Payment for Housing Benefit (where applicable);
 - Maximising other benefits;
 - Reducing Council Tax debt by way of any applicable reductions
 - Council Tax Support (CTR)
 - Council Tax statutory exemptions
 - Council Tax discounts
 - Council Tax reductions for disabilities
 - Determining whether in the opinion of the decision maker the spending priorities of the applicant should be re-arranged.
- Relief can generally be awarded from the date the council identifies that the conditions for the discount are met or from the 1st April 2021 whichever is later.
- Where extenuating circumstances are identified, relief may be backdated into a previous financial year.

Crisis – subsidence, fire etc.

The Council will consider requests for relief from council tax payers who, through no fault of their own, have experienced a crisis that has made their property uninhabitable, such as a fire, subsidence, flooding caused by burst pipes etc.

This discount no longer relates to weather related flooding, which is now covered by a specific government scheme

To be considered, the resident must remain liable to pay council tax at the property. They must have no recourse to compensation/ insurance payments, nor have recourse to any statutory exemptions or discounts.

All such requests must be made in writing detailing the **exact** circumstances of why relief is required and specifying when the situation is expected to be resolved.

In order to consider applications the council may need to consult with other organisations as appropriate.

Government Schemes

From time to time Government may introduce a specific scheme in response to an event such as a natural disaster (e.g. flood relief schemes).

The Council will not consider requests from taxpayers where government guidance or policy provides for a reduction in liability in specific circumstances.

Empty Homes Premium

The Council will consider requests for relief from those persons liable to pay Council Tax in respect of a property which has been empty and unfurnished for more than 2 years and as such is required to pay the 'Empty Homes Premium' charge.

Relief will only be considered where the following criteria is met and evidenced:

- The owner of the property is able to satisfy the Council that they are not able to pay their Council Tax in full or part.

- The property is currently up for sale and all reasonable steps are being taken to sell the property.
- The property has been advertised for sale in recognised journals, social media and via external sources.
- The property has been put up for sale at a reasonable market price to encourage the property to be sold.

Care Leavers

- The Council will consider granting a discount of up to 100% for care leavers aged from 18 to 25.
- The discount will apply to qualifying care leavers living in Houses of Multiple Occupation, however the Council would expect the landlord to evidence that they have reduced the rent for the care leaver accordingly. If not, any care leaver discount awarded may be removed from the landlord's Council Tax account
- This award will offer help to young people whose only support is from the Council by relieving some of the initial financial pressure felt when moving into independent accommodation and having to pay Council Tax for the first time.
- This relief would sit alongside a number of other financial arrangements available to care leavers.
- Applications will only be considered where the following criteria is met and evidenced:
 - Sandwell Metropolitan Borough Council must have been the corporate parent of the individual until they reached the age of 18. If a young person meets the qualifying status post 18 years of age, they will also be considered for this relief.
 - A number of care leavers will be entitled to Council Tax Reduction & this must be claimed before any discretionary relief is applied.
 - The relief will be granted whether or not the resident care leaver is jointly liable with another person.
 - If the care leaver moves out of Sandwell and subsequently returns, they will be entitled to relief for any period they are liable for Council Tax in Sandwell as long as the other conditions are satisfied.

The amount and period of relief will be as follows:

- A maximum discount of up to 100% may be awarded to any care leaver between the ages of 18 and 25 living in Sandwell.
 - A discount of 25% will be awarded if the care leaver lives with another person who is not a care leaver
 - A discount of 100% will be awarded if the care leaver lives alone, or lives with another person who is also a care leaver
- Relief will only be applied after any other qualifying reliefs/ discounts have been awarded. If there is still an amount owing at this point discretionary relief will be awarded to ensure that nothing is payable.
- Relief can be backdated to the 1 April of the financial year in which either an application for a discount is received or the council identifies that the conditions for the discount are met.
- Where the liability started after the 1 April of that financial year, then relief will be awarded from the date the liability started

Other Circumstances

The Council may consider discretionary relief requests based on other circumstances, however the Council must be of the opinion that the circumstances relating to the request warrant further reduction in their liability for Council Tax having regard to the effect on other Council Tax payers.

No relief will be granted where any statutory exemption or discount could be granted.

No relief will be granted where it would conflict with any resolution, core priority or objective of the Council.

3.3 Period of Award

Relief will commence from the date of application or the date when the need for financial help arose. Any relief allowed will generally only apply in the current financial year and hence the earliest start will be 1st April of the existing financial year in which the request was received,

unless good cause can be shown as to why an application was not made sooner, or there are extenuating circumstances that warrant a backdate of relief into a previous year.

Relief will end on either the last day of the current financial year or the date on which the need for relief was removed, whichever date is earlier.

3.4 Administration

Responsible Officers

The responsibility for making discretionary decisions will rest with the Executive Director of Resources.

The Revenues and Benefits Service will liaise with the customer in each case to obtain sufficient evidence and information (in line with the criteria as laid out in this policy) to make a decision in their case.

Decision making process

The Council will decide every application for a reduction in liability where the customer has satisfied the required criteria as laid out in this policy.

The decision making process will involve:

Stage1: The Revenues and Benefits Service Manager making a recommendation to the Director of Finance, having considered each case on 'its merits' against the information provided by the customer.

Stage 2: The Director of Finance will decide whether to apply the relief to reduce the charge accordingly.

Changes of circumstances

The customer has a duty to notify the Council where a change in circumstance would affect the granting of the relief.

Notification

The Council will notify a customer of any entitlement to a relief within 14 days of receiving sufficient information to make a decision.

The Council will notify a customer of any changes to entitlement within 14 days of receiving sufficient information to make a decision.

The right to seek a review and appeals

Appeals against the Council's decision may be made in accordance with Section 16 of the Local Government Finance Act 1992.

The Council Taxpayer must in the first instance write to the Council outlining the reason for their appeal. Once received the Council will reconsider its decision and notify the Council Taxpayer accordingly.

Where the Council Tax payer remains aggrieved, a further appeal can then be made to the Valuation Tribunal. This further appeal should be made within 2 months of the decision of the Council not to grant any reductions. Full details can be obtained from the Councils website or from the Valuation Tribunal <http://www.valuationtribunal.gov.uk>

Notification of review/re-determination of decision

The Council will aim to notify a customer of its decision within 14 days of receiving a request for a review/re-determination.

Payment of Award

All awards will be made by crediting the award value to the Council Tax account to which it applies.

If by crediting the award, the account moves to an overall credit balance, a refund of that balance will be considered in the normal manner.

Overpayment of relief

If the council becomes aware that the information contained in an application for a relief was incorrect, or that relevant information was not declared (either intentionally or otherwise) the Council may seek to recover the value of any award made as a result of that application.

The award will be removed from the relevant Council Tax account and any resulting balance will be subject to the normal methods of collection and recovery applicable to such accounts.

Fraud

The Council is committed to protecting public funds and ensuring funds are awarded to the people who are rightfully entitled to them.

An applicant who tries to fraudulently claim a relief by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under The Fraud Act 2006.

Where the Council suspects that such a fraud may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings being instigated.

Complaints

The Council's 'Compliments and Complaints Procedure' (available on the Council's website) will be applied in the event of any complaint received about this policy.

4. POLICY REVIEW

4.1 Policy Review

The policy will be reviewed annually by the Revenue and Benefits Service, or sooner if appropriate, to take account of operational adjustments and or changes to legislation.

5. EQUALITIES

5.1 Equalities

This policy has been produced in line with the Council's obligation to the Public Sector Equality Duty provided by the Equality Act 2010. No adverse impact on any protected characteristic has been identified as a result of this policy.

However, due to the discretionary nature of decision making the Revenues and Benefits Service will randomly sample decisions made to ensure consistency.