



WEST OXFORDSHIRE  
DISTRICT COUNCIL

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Name and date of Committee	<b>Cabinet: Wednesday 15 September 2021</b>
Report Number	<b>Agenda Item No. 10</b>
Subject	<b>Council Tax Section 13A Policy</b>
Wards affected	ALL
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Summary/Purpose	This report outlines proposals to introduce a Council Tax Section 13A Policy to support the Council in making decisions when considering such applications from Council Tax payers in the district.
Annex	<a href="#">Annex A</a> – Section 13A Policy
Recommendations	a) That the Council Tax Section 13A Policy included at <a href="#">Annex A</a> be adopted; and b) That the decision making process detailed within paragraphs 4.2 and 4.3 of this report be approved.
Corporate priorities	Delivering excellent modern services whilst ensuring the financial sustainability of the Council
Key Decision	No
Exempt	No
Consultees/ Consultation	The Chief Executive Officer, The Chief Finance Officer, The Monitoring Officer, Legal Services Manager, Cabinet Member for Finance

## **I. 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 (LGA 2012) inserted a new Section 13A(1)(a), (b) and (c); in the Local Government Finance Act 1992 (LGFA 1992), creating two discounts:-
  - Local Council Tax Support schemes under Section 13A(1) (a) and (b); and
  - Section 13A(1)(c) effectively the original Section 13A discount, now including the provision to further reduce the amount of any reduction provided by S13A (1)(a) and (b).
- 1.3. In accordance with Section 13(A)(1)(a) of the LGFA 1992 as 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 100% of 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 within [Annex A](#) will require the applicant to have exhausted all other options before making an application under the policy.

## **2. MAIN POINTS**

- 2.1. When applying this policy officers 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.
- 2.2. 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. Having a Policy in place ensures that the Council has a fair approach to dealing with applications for discretionary discount in Council Tax, and the criteria to which there will be regard. The Council will treat all applications on their individual merits and the criteria which should be met are listed at [2.1](#) in Annex A.
- 2.3. The full cost resulting from the granting of a local discretionary discount is met by the billing authority and there is no statutory right to pass on the cost to other major precepting authorities.

## **3. FINANCIAL IMPLICATIONS**

- 3.1. The full cost resulting from the granting of a local discount is met by the billing authority and there is no statutory right to passed on costs to other major precepting authorities.
- 3.2. Based on the average band D property for 2021/2022 the full cost associated with a discount would be £2004.99 for the full financial year. Discounts are rarely awarded for the full financial year so it is envisaged that any award given would be less than the example given.
- 3.3. All costs associated with Council Tax discounts and reliefs are examined as part of the annual budget activity. Any costs in the current financial year, which cannot be funded within the Council's revenue budget, will be funded from the Council Priorities Fund.

Ongoing revenue provision for costs associated with this Policy will be considered as part of the budget setting process for the 2022/23 budget.

#### **4. LEGAL IMPLICATIONS**

- 4.1. 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.
- 4.2. 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; however, for this purpose it is proposed that individual applications are determined by the Cabinet Member with responsibility for Finance on consideration of a report from the Chief Finance Officer.
- 4.3. Applications which relate, or could potentially relate to a class or classes of case (for example, a group of properties affected by flooding) will be determined by Cabinet following consideration of a report from the Chief Executive, Chief Finance Officer and the Cabinet Member with responsibility for Finance.

#### **5. RISK ASSESSMENT**

- 5.1. Decisions on discretionary discounts are subject to a statutory appeals process and therefore can add an additional element of financial risk for the Council. However, this risk is minimised with the implementation of this policy as it give guidance on what the Council will/will not consider within its scheme.
- 5.2. Following recommendations from the Local Government Ombudsman to adopt publish and promote a Section 13A Policy the Council will be at a reduced risk of future challenges against the administrative processes of such a discount.

#### **6. EQUALITIES IMPACT**

- 6.1. 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.

#### **7. ALTERNATIVE OPTIONS**

- 7.1. None

#### **8. BACKGROUND PAPERS**

- 8.1. None



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**Section 13A Policy  
For the determination of applications for a  
reduction in Council Tax liability**

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## **1. Background**

- 1.1 This policy outlines the Council's approach to granting discretionary reductions in liability for Council Tax under Section 13A (1) (c) of the Local Government Finance Act 1992 (LGFA), as amended. The Council has the ability to reduce the liability for Council Tax in relation to individual cases or classes that it may determine where national and other local discounts and/or exemptions cannot be applied.
- 1.2 In January 2019 the Council approved to award care leavers up to the age of 25 council tax discounts under Section 13A (1) (c) of the LGFA. This scheme is in partnership with the 4 Oxfordshire District and City Councils and supported financially by Oxfordshire County Council.
- 1.3 There are financial implications to awarding any discounts other than those currently available under the statutory legislation and the financial burden of Section 13A (1) (c) discounts has to be met through an increase in the general level of council tax for other payers.

## **2. Eligibility Criteria**

### **2.1 When determining an application consideration will be made to:**

- The applicants personal circumstances
- The applications not having access to assets or savings that could be realised to pay the council tax
- The taxpayer must satisfy the council that all reasonable steps have been taken to resolve their situation prior to the application
- Any other eligible discounts, relief or exemptions that could be awarded
- The council tax account and if it is in arrears the Council must be satisfied that non-payment is not due to wilful refusal or culpable neglect
- The Council's finances allow for a discount to be made
- It is reasonable for the Council to award a discount having regard to the interests of other local Council Tax payers who have to meet the cost of any discount awarded
- An award can only be made for the Council Tax element of any charge, any court or enforcement agency costs applied to the account cannot be considered.

### **2.2 Discount 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 application has not taken reasonable steps to reduce these
- To cover any increase in the council tax payable due to the failure by the application to notify changes in their circumstances in a timely manner or where the application has failed to act correctly or honestly.
- Where a council tax or council tax support penalty has been imposed at any time during the financial year where discount is being requested.
- The council will only consider discretionary discounts in respect of the main home occupied by the council taxpayer (annexes or second homes will not be eligible for relief)

## **3. How to apply**

- 3.1 The person(s) liable for council tax, their appointee or representative, will be required to complete and submit an application for discretionary discount 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.

3.2 The application form must be fully completed and submitted with any supporting information or evidence.

3.3 The applicant must provide details of any special circumstances 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.

3.4 Failure to provide any supporting evidence and information that is requested will lead to the discretionary application being refused, unless there are mitigating circumstances which led to that failure. There may be some occasions where discounts can be considered based on information already available to officers in the Revenues and Benefits team.

#### **4. Decision making process**

4.1 Individual applications will be determined by the Cabinet Member with responsibility for Finance in consultation with the Chief Finance Officer.

4.2 Applications which relate, or could potentially relate, to a class or classes of case (for example, Care Leavers) will be determined by Cabinet following consideration of a report from the Chief Executive, Chief Finance Officer and the Cabinet Member responsible for Finance.

#### **5. Period of Award**

5.1 A section 13A discount 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.

5.2 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.

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

#### **6. Notification of decisions**

6.1 The Council will aim to consider the application and notify the customer of the outcome within one calendar month from receipt of the claim and all supporting documentation.

6.2 If the application for a discount is successful, the award will be made directly by way of a discount applied to the Council Tax account. This will be confirmed in writing and the Council's decision letter will include the following:

- The reason for the award
- The amount of the award
- 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

6.3 If the application is unsuccessful, this will be confirmed in writing and 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.

## **7. Review of Decision**

7.1 Section 13A discretionary discounts are administered in accordance with the LGFA 1992, as amended, and are subject to a statutory appeals process. If the applicant disagrees with a decision they must put this in writing giving their reasons. This should normally be received by the Council within one calendar month of the decision, although more time can be given in exceptional circumstances.

7.2 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 Cabinet. The applicant will then be notified of the reconsideration which will clearly state the reasons for the decision made.

7.3 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 received 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 they may commit a criminal offence. All such instances will be dealt with in accordance with the law, and any overpaid monies will be recovered together with any outstanding Council Tax.