



# Council Tax

## Discretionary Reduction Policy

Section 13A(1)(c) Local Government Finance Act 1992

June 2024



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## **1. Introduction**

- 1.1 This policy sets out the Council's approach to the awarding of discretionary reduction for council tax under S13A (1)(c) of the LGFA 1992 and the Local Government Act 2003 Section 76 and ensures that all customers making an application for reduction are treated in a fair and consistent manner.
- 1.2 The policy is part of a suite of policies including the Debt Management Policy and Corporate Write off Policy which support the debt management strategies implemented by Durham County Council.
- 1.3 Councils have the discretion to reduce the amount of Council Tax payable by an individual under Section 13A Local Government Finance Act 1992 as amended by the Local Government Act 2003, section 76.
- 1.4 This discretion allows for the partial reduction of a bill or, where appropriate a complete remission to nil. This can be applied to cases on an individual basis, or the Council can determine a class of property or resident whose liability is to be partially or wholly reduced.
- 1.5 This policy incorporates the Localised Council Tax Support Scheme and Council Tax Technical Changes introduced from 1st April 2013.

## **2. Criteria**

- 2.1 Each application for discretionary reduction will be assessed on its individual merits.
- 2.2 Awards made under this policy are generally intended as short-term assistance and will not normally extend beyond a twelve-month period. Applicants must state clearly on their application form the period that they are seeking a reduction for. Awards of discretionary reduction are not to be considered as a method of reducing Council Tax liability indefinitely, repeatedly, or as a debt solution for historic arrears. Awards of discretionary reduction or remission will be the exception and not the rule.
- 2.3 Council Tax discretionary reduction will not be awarded for any reason other than to reduce Council Tax liability.
- 2.4 Applications and Awards of discretionary reduction will not to be considered where they are used to frustrate, delay or prevent ongoing recovery action including bankruptcy/committal to prison proceedings commenced by the Council or any other body.

However, consideration will be given to such action being suspended temporarily if there is a hardship application decision pending.

- 2.5 Applicants must detail the reasons for their application, explaining the specific circumstances experienced which is affecting their ability to pay council tax normally.
- 2.6 There must be clear evidence of either financial hardship and/or personal circumstances that justifies a reduction in Council Tax liability. There is no definition in the legislation for 'hardship' and as the scheme is aimed at covering unexpected difficult and exceptional circumstances it is not possible to list precise criteria.
- 2.7 Unexpected, difficult and exceptional circumstances considered for discretionary reductions will usually be circumstances that are outside the control and beyond normal risks faced by a household. Applicants must demonstrate that they have done all they can to mitigate those risks and are taking action to rectify and minimise them. The policy is not designed to accommodate the effects of significant local, national, or global events affecting multiple individuals or households.
- 2.8 Awards of discretionary reduction are funded by the council and before granting any award we will consider the interests of council taxpayers and the wider impact of granting any reduction.
- 2.9 Applicants must be able to demonstrate that all reasonable steps have been taken to reduce and/or discharge their full Council Tax liability prior to application including exploring entitlement to all other reductions, discounts, exemptions, discretionary payments and valuation office appeals.
- 2.10 The applicant does not have either capital or other assets that could be realised and used to pay council tax.
- 2.11 Application for hardship reduction should be one of last resort. Applicants will be expected to have explored and secured any lawful entitlement to other welfare benefits, incomes and reductions in preference to claiming hardship reduction. This particularly includes an application for Council Tax Reduction.
- 2.12 Applications involving unoccupied domestic property must evidence that reasonable efforts are being made to sell or let the property and that to levy a Council Tax charge would cause them exceptional financial hardship. The liable person for an unoccupied domestic property has made their best efforts to sell or let the property and to

levy a Council Tax charge would cause them exceptional financial hardship.

- 2.13 The Council's finances allow for a reduction to be made.
- 2.14 The amount of council tax outstanding must be the result of circumstances outside the applicant(s) control and not due to their refusal to pay, or due to prioritising non-priority debts and lifestyle choices.
- 2.15 Discretionary reduction will normally be awarded for a short, fixed period depending on the nature and likely duration of the circumstances involved. In all cases reduction will end in the following circumstances:
  - At the end of the discretionary reduction award period.
  - There is a change of liable person.
  - The Council Tax payer enters any form of formal insolvency.
  - The Council Tax payer's financial circumstances significantly improve.

### **3. The Application**

- 3.1 Financial awards of discretionary reduction can only be made where adequate evidence of financial and personal circumstances is provided which demonstrates that an award would be appropriate. Unsupported applications cannot be considered accurately and could result in no award being made.
- 3.2 All applications will be made in writing or electronically from the Council Tax payer, their advocate/appointee or a recognised third party acting on their behalf, using the relevant form. All necessary supporting information and a full financial statement must be included.
- 3.3 Applications and supporting documentation can be emailed to [revenuesenforcement@durham.gov.uk](mailto:revenuesenforcement@durham.gov.uk).
- 3.4 Postal application forms and supporting information can be sent to:

Durham County Council  
Revenues and Benefits  
PO Box 238  
Stanley  
County Durham  
DH8 1FP

- 3.5 Further information may be requested from the applicant in order for a robust decision to be made. If the applicant does not supply the requested information within a specified period, the application can be deemed defective and the applicant will be informed.
- 3.6 The application may be reopened if the applicant demonstrates 'good cause' as to why the information could not be supplied at the time. No costs will be borne by the Council in the provision of this evidence.
- 3.7 Applicants must ensure that the minimum evidence requested in the application form is provided and that further evidence supporting the specific circumstances being claimed as the cause of inability to pay is provided.

#### **4. The Decision Making Process**

- 4.1 Upon receipt of a signed application and all supporting documentation /information a standard decision-making process will be followed
- 4.2 An Enforcement and Insolvency officer will aim to consider initial applications within 28 days of receipt of a signed application and supporting information. This will include a review of findings, financial implications, and initial recommendations.
- 4.3 Where further evidence is deemed necessary to enable a fair assessment of circumstances to be made the applicant will receive written details of what is needed and timescales which apply.
- 4.4 If the Enforcement and Insolvency Officer proposes to **reject** then a Senior Officer will assess the application and if in agreement, a letter will be issued outlining the reasons for rejection and the redetermination process.
- 4.5 If the Enforcement and Insolvency Officer recommends **approving** the application and a Senior Officer agrees this will escalate to the Team Leader who will review. Their approval is needed to agree the application. If agreed, amendment to the account will be made and notification sent.
- 4.6 If the Team Leader disputes the decision of the Officer and Senior Officer and rejects the application, a letter will be issued outlining the reasons for rejection and the redetermination process.
- 4.7 Once a decision has been approved the Council Taxpayer will be notified in writing of the decision within 28 days and a revised Council Tax demand notice (bill) will be issued where applicable.

- 4.8 Whilst every effort will be made to meet the deadlines outlined above, failure by the Council to do so does not qualify the claimant for reduction.

## **5. Rights of Appeal**

- 5.1 The Council will accept a request from the applicant for a redetermination of its decision.
- 5.2 Written requests for redetermination should be made within 28 days of the issue of the decision letter stating reasons why the decision should be reviewed.
- 5.3 In the case where the applicant has been notified of a decision and they exercise their rights to appeal, payment cannot be withheld pending an appeal decision. In the event that an appeal is successful, any interim overpayment will be refunded.
- 5.4 Considerations will include any additional information provided by the applicant that may justify a change to its original decision.
- 5.5 The Council will notify the Council Tax payer of its final decision within 21 days of receiving a request for a re-determination.
- 5.6 Whilst every effort will be made to meet the deadline outlined above, failure by the Council to do so does not qualify the claimant for reduction.
- 5.7 Rejected by Officer and Senior Officer - Review by second Officer and Second Senior Officer
- 5.8 Rejected by Team Leader – Review by Asst Payments Income and Support Manager
- 5.9 The Asst Payments Income and Support Manager is final and there is no further redetermination available.
- 5.10 If a claimant remains dissatisfied with the outcome of the redetermination, they may appeal to the Valuation Tribunal for England (VTE). The applicant has two months from the date of the redetermination decision to do this. Any application for appeal made outside of the two-month time frame may be considered at the discretion of the chair of the Tribunal. Valuation Tribunal 2nd Floor 120 Leaman Street London E1 8EU Telephone: 0303 445 8100 E mail: [appeals@valuationtribunal.gov.uk](mailto:appeals@valuationtribunal.gov.uk)

## **6. Cancellation of an Award**



- 6.1 If an award is subsequently cancelled, the amount awarded will be withdrawn from the applicant's Council Tax account and will be payable as the Council Tax due under the regulations..
- 6.2 The Council reserves the right to withdraw any award made under this scheme where fraud or error has occurred.

The Council reserves the right to withdraw any award where the applicant has failed to provide or has knowingly provided false or misleading information.

## **7. Advice and Support**

- 7.1 Every attempt should be made to provide as much support and advice to applicants as possible. There are several avenues of support that can be signposted, and they include:
  - Welfare Rights
  - Welfare Assistance
  - Free School Meals
  - Citizens Advice County Durham

## **8. Fraudulent Applications**

- 8.1 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 Anti-Fraud and Corruption Policy and any overpaid monies will be recovered together with any outstanding council tax.