



MALDON DISTRICT COUNCIL

**Maldon District Council
Council Tax
S13A (1) (c) Local Government Act 1992 Policy**

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1.0 Introduction

- 1.1 The following policy outlines the Council's approach to granting discretionary reductions in liability for Council Tax under S13A (1) (c) of the Local Government Finance Act 1992 (as amended). The Council has the ability to the reduce liability for Council Tax in relation to individual cases or class(es) of cases that it may determine where national discounts and exemptions cannot be applied.
- 1.2 This policy is basically divided into three main areas namely:
 - (a) **The Flood Recovery Framework** – this part of the policy covers situations outlined by Central Government where any parts of the Council's area were to be designated as a designated flood area;
 - (b) **The Council Tax Support Fund**; - this part of the policy is for the 2023-24 financial year only and reflects the scheme funded by Central Government to assistance Council Tax Reduction applicants; and
 - (c) **Granting of reductions in Council Tax liability in all other circumstances** - this part of the policy applies to all other circumstances where an application is made to the Council for a reduction in Council Tax liability under S13A (1) (c) of the Local Government Finance Act 1992 other than in respect of (a) above.

2.0 Legislation

- 2.1 The relevant legislation (S13 of the Local Government Finance Act 1992 as amended by the Local Government Finance Act 2012), states the following:

Reductions by billing authority

(1) The amount of council tax which a person is liable to pay in respect of any chargeable dwelling and any day (as determined in accordance with sections 10 to 13);

(a) in the case of a dwelling situated in the area of a billing authority in England, is to be reduced to the extent, if any, required by the authority's council tax reduction scheme;

(b) in the case of a dwelling situated in the area of a billing authority in Wales,
.....

(c) in any case, may be reduced to such extent (or, if the amount has been reduced under paragraph (a) or (b), such further extent) as the billing authority for the area in which the dwelling is situated thinks fit.

- 2.2 The provisions stated in (c) above, allows the Council to reduce the Council Tax liability for any taxpayer in addition to any application for Council Tax Reduction under the Council's scheme. This is a general power that has always been available to the Council.

3.0 Finance

- 3.1 Any amounts granted under S13A (1) (c) are normally financed through the Council's general fund and do not form part of the collection fund. In certain circumstances, Central Government provides funding directly to the Council to compensate for specific events in the case of severe flooding. Where this is available, the Council will look to use **all** funding provided.
- 3.2 Any additional assistance, outside of the funding, would fall to be paid by the Council itself.

4.0 The Flood Recovery Framework

- 4.1 In a severe weather event with significant wide area impacts, local authorities may need central support to help their communities and businesses return to normal. Building on these principles, a core package of business and community recovery support has been developed by Central Government to serve as a framework for flood recovery funding when needed.
- 4.2 It will be for Government Ministers to determine when this support will be made available. Weather incidents with localised impacts will not usually trigger a recovery support package.
- 4.3 In relation to Council Tax, Central Government have developed a Council Tax discount package that is available under S13A (1) (c).

Who is eligible for a council tax discount?

- 4.4 Where the Council Tax Discount Scheme is activated following severe weather, MHCLG will refund eligible local authorities for granting discounts in the following circumstances:
 - (a) 100% discount for a minimum of 3 months, or while anyone is unable to return home if longer, for **primary residences** whereas a result of the relevant weather event:
 - Flood water entered into the habitable areas; or,
 - Flood water did not enter into the habitable areas, but the local authority regards that the residence was otherwise considered **unliveable** for any period of time. **AND**
 - (b) 100% council tax discount on temporary accommodation for anyone unable to return to their home, in parallel with the discount on their primary residence where applicable.
- 4.5 Second homes and empty homes will **not** be eligible.
- 4.6 Instances where households might be considered **unliveable** could include:

- where access to the property is severely restricted (e.g. upper floor flats with no access);
- key services such as sewerage, draining, and electricity are severely affected;
- the adverse weather has resulted in other significant damage to the property such that it would be, or would have been, advisable for residents to vacate the premises for any period of time, regardless of whether they do vacate or not;
- flooded gardens or garages will **not** usually render a household eligible but there may be exceptions where it could be demonstrated that such instances mean effectively that the property is unliveable.

4.7 It will be for the Council to determine eligibility under the scheme.

Properties affected by multiple instances of flooding

4.8 Residences impacted in multiple flood events will not be precluded from repeat support where this is made available by Government in respect of separate weather events.

4.9 Where the scheme is activated for two separate instances of flooding within 3 months of each other, the two discount periods will run concurrently. For example, if the second flood event occurred after 2 months, flooded properties already receiving support could be eligible for another 3 months' discount, making the total period of reimbursement 5 months.

Funding

4.10 In such cases, Central Government will make payment to the Council via a Section 31 grant.

The Council's Policy in respect of the Flood Recovery Framework

4.11 The Council shall operate the scheme strictly in accordance with Central Government guidelines.

5.0 The Council Tax Support Fund

- 5.1 The following policy outlines the Council's approach to the recent initiatives by Central Government to assist the most vulnerable taxpayers who are suffering financial hardship due to the cost of living crisis.
- 5.2 Central Government have provided funds to the Council under S31 of the Local Government Act 2003 with the proviso that all monies are paid strictly in accordance with S13A (1) (c) of the Local Government Finance Act 1992 and in line with guidance issued on 23 December 2022.
- 5.3 The fund, named by Central Government as the 'Council Tax Support Fund' is designed to meet the immediate needs of all taxpayers who are currently claiming Council Tax Reduction (CTR) under S13 A (1) (a) of the Local Government Finance Act 1992. The fund will assist all Council Tax Reduction applicants who will be required to make a payment of Council Tax for the 2023-24 financial year.
- 5.4 Whilst it is essentially down to individual authorities to determine how to use the funds available, Central Government through the Department for Levelling Up, Housing and Communities (DLUHC) states that, in order to retain the funding, Councils must look to use monies as directed by them in their guidance.

Finance

- 5.5 Any amounts granted under S13A(1)(c) are normally financed through the Council's general fund and do not form part of the collection fund. However, Central Government has provided funding directly to the Council (amounting to £85,917) to compensate for this particular support package and it strongly expects the Council, wherever possible, to use all of the funds provided as outlined within the Department's guidance
- 5.6 Any additional assistance, outside of the funding, would fall to be paid by the Council itself. In view of this, the Council has determined that once the allocated funds are exhausted, no further reduction in liability will be made under this policy.

The Council Tax Support Fund

- 5.7 The Council Tax Support Fund is divided into two distinct elements as follows:
 - (a) The minimum reduction in Council Tax liability for all taxpayers who are in receipt of Council Tax Reduction; and
 - (b) Discretionary support.
- 5.8 Each of these elements are detailed in the following paragraphs.
- 5.9 In all cases, Government expects billing authorities to apply the reductions to the 2023-24 Council Tax bills.

The minimum reduction in Council Tax liability for all taxpayers who are in receipt of Council Tax Reduction

- 5.10 In view of the fact that there is a need to support the most vulnerable taxpayers at this time, the Government's strong expectation is that billing authorities will provide all recipients of Council Tax Reduction (both working age and pension age) with a further reduction in their annual council tax bill of up to £25
- 5.11 This reduction will apply to all Council Tax Reduction recipients who have an outstanding liability for the 2023-24 financial year.
- 5.12 For the sake of clarity:
- (a) where the taxpayer's Council Tax liability for 2023-24 (after the application of any relevant discounts, reliefs, and Council Tax Reduction) is £25 or more, then a further reduction in Council Tax liability of £25 will be made;
 - (b) where the taxpayer's Council Tax liability for 2023-24 (after the application of any relevant discounts, reliefs and Council Tax Reduction) is greater than nil but less than £25, then a further reduction in Council Tax liability will be made to reduce the liability to nil; and
 - (c) where the taxpayers Council Tax liability for 2023-24 (after the application of any relevant discounts, reliefs, and Council Tax Reduction) is nil then **no** further reduction in Council Tax liability will be made.
- 5.13 There will be no requirement for any taxpayer to apply for this reduction and any amount granted will automatically be applied based on the criteria being met on 1 April 2023.
- 5.14 Government has stated that it will be up to individual authorities to decide whether to allow the reduction for taxpayers who become eligible for Council Tax Reduction after 1 April 2023.

Discretionary support.

- 5.15 Where any funds remain available after the making the minimum reductions in liability as outlined above, Government expects authorities to determine their own local approaches to supporting economically vulnerable households with Council Tax bills.

The Council's Policy in respect of the Council Tax Support Fund

- 5.16 The Council is keen to support all eligible taxpayers within its area and, as such, will implement the scheme strictly in accordance with Central Government guidelines by taking the following actions:

The minimum reduction in Council Tax liability

- 5.17 A reduction of up to £25 will be made to the Council Tax account of taxpayers who are in receipt of Council Tax Reduction **on** 1 April 2023. It should be noted that where the liability of any taxpayer is less than £25 (after taking into account any discounts, reliefs, or reductions) then an amount will be granted to ensure that the liability is reduced to nil. There will be no requirement for any taxpayer to apply for this initial award and it shall be automatically applied to their account.
- 5.18 The reduction in liability will apply to both working age and pension age Council Tax Reduction applicants.

Discretionary Support

- 5.19 Where any funds remain after applying the reduction in liability as outlined in 5.17 above the Council will use any remaining funds to award further reductions in liability where taxpayers are facing exceptional hardship.

General requirements in relation to funding

- 5.20 As mentioned previously, the Council has been allocated a limited amount of funding and in view of this, should the allocation be exhausted, the policy of the Council will be to cease any further reductions in liability. Where this occurs, any taxpayer may apply for a reduction under the Council's existing S13A(1)(c) policy and each case will be considered on its merits in line with the legislation.
- 5.21 Any reduction in liability under this policy shall apply for the 2023-24 financial year **only**.

6.0 Applications for S13A (1) (c) in other cases

- 6.1 Where the Council receives an application for a reduction in liability in any other case (other than listed within the Central Government sponsored scheme specified above), it may be made:
- (a) In writing; or
 - (b) By means of an electronic communication.
- Each application shall be treated on their individual merits.
- 6.2 In such cases, the Council will require the applicant (where appropriate) to:
- Make a formal application for Council Tax Reduction in an appropriate format. (We encourage electronic claims to be submitted wherever possible. The link to the electronic claim form is on our website in the 'Making an Application' section of the Do it online page).
 - The claim must contain sufficient evidence/information to enable the local authority to get a balanced view of the claimant's situation and circumstances;

- Consider potential changes in payment methods and payment arrangements;
- Assist the Council to minimise liability by ensuring that all discounts, exemptions and reductions are properly granted;
- Maximise their income through the application for other welfare benefits;
- Have taken all reasonable steps to resolve their situation prior to application;
- Provide evidence of exceptional financial hardship or exceptional personal circumstance that would merit a reduction in the Council Tax liability; and
- Not have access to assets, capital or other financial remedy that could be used to meet the Council Tax liability;

6.4 The circumstances affecting the ability to meet Council Tax liability must not be intentional by the applicant and must be deemed to be out of the applicant's individual control.

7.0 Delegated Powers

7.1 This S13A (1) (c) policy has been approved by the Council. However, the Lead Specialist, Service Delivery is authorised to make technical scheme amendments to ensure it meets the criteria set by the Council and, for certain defined schemes, Central Government guidance.

8.0 Notification

8.1 The Council will normally issue a written decision letter to the applicant within one month of the request or as soon as practicable thereafter. This will include:

- the level of the award, if relevant;
- full reasons for the decision;
- how it will be paid; and
- information about how to ask for a review of the decision.

8.2 Where the award is part of a Central Government initiative, the award will be shown on the taxpayer's demand notice.

9.0 Review of Decisions

9.1 Notwithstanding any reductions applied automatically to the Council Tax account, where any application is refused, the applicant will be notified that they can ask for the decision to be reviewed. Any request for a review must be made, in writing or by email, within one month of the decision letter.

9.2 The Lead Specialist, Service Delivery shall undertake the review and shall respond within two months and will have regard to any further evidence supplied.

- 9.3 If the applicant is dissatisfied with the outcome of the review, they can, within two months of the Council's reply, appeal to the independent Valuation Tribunal Service to consider their case.

10.0 Duration of Reduction

- 10.1 The duration of any award will depend of the circumstances of each case. However, in all cases the following principles will apply:
- (a) Where the reduction is applied under a Central Government Scheme, the reduction shall be applied to the Council Tax account for the period specified in Government guidance;
 - (b) In all other cases,
 - (i) the application for the reduction can only relate to the current Council Tax financial year in which the application is made unless the delay was due to an exceptional circumstance; and
 - (ii) If an application is successful, the award period will be specific to the applicant's circumstances, but it cannot exceed a period greater than the financial year it has been awarded in or exceed the total Council Tax charge for that period.

11.0 Changes in circumstances and misrepresentation

- 11.1 A reduction in liability under S13A (1) (c) can be recovered if it has been made as a result of misrepresentation or failure to disclose a material fact, either fraudulently or otherwise. It can also be recovered as a result of the subsequent application of a national discount or adjustment in banding by the Valuation Office Agency
- 11.2 Changes of circumstances that subsequently negate the need for a reduction in liability under this policy will be recovered by the Council. Where this occurs, the Council shall notify the taxpayer accordingly.
- 11.3 Reductions in liability are not transferable following a change in address.
- 11.4 The Council reserves the right to recover any reductions in liability as a result of a change in legislation or regulation.
- 11.5 The Council is mindful that it is important to protect public funds and, as such, will take action to prosecute any case where the applicant acts fraudulently in applying for a reduction in Council Tax liability.