

**SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL**

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**REPORT TO:** Finance and Staffing Portfolio Holder

16 April 2013

**AUTHOR/S:** Revenues Manager

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**POLICY FOR GRANTING LOCAL DISCOUNTS FOR COUNCIL TAX****Purpose**

1. To request that the Portfolio Holder formally adopt a policy for the granting of local discounts for Council Tax.
2. This is a key decision because it is of such significance to the Council and the services that it provides, that the author is of the opinion that it should be treated as a key decision.

**Recommendations and Reasons**

3. That the Finance and Staffing Portfolio Holder formally adopt as a policy the "Protocol and Guidance for the granting of Local Discounts for Council Tax" shown at Appendix 1.
4. It is important that the Council's policy in relation to local discounts is clear and that there is a defined framework for determining individual applications

**Background**

5. Under Section 13A of the Local Government Finance Act 1992 (as inserted by Section 76 of the Local Government Act 2003), the Council has the power to reduce liability for Council Tax in relation to individual cases or class (es) of cases that it may determine and where national discounts and exemptions cannot be applied. It says:
  - Where a person is liable to pay council tax in respect of any chargeable dwelling and 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 the 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. For example a fire may affect a single dwelling or a flood may affect several properties.
6. The Local Government Finance Act 1992 was amended by the Local Government Finance Act 2012, giving local authorities the discretion to reduce the amount of Council Tax a person has to pay. This is different legislation to that, which requires an authority to implement a local Council Tax Support scheme from April 2013.
7. However, as part of the requirements for introducing a localised Council Tax Support scheme, each local authority must state the procedure by which a person can apply for a discretionary relief under Section 13A (1) (c) of the 1992 Act. This has given rise for the need to amend the existing policy agreed in October 2011. The amendments can

be seen in Section 3 with additional paragraphs 3.2 and 3.3 and Section 6 paragraph 6.1 and 6.2.

8. The cost of any reductions made under Section 13A (1) (c) remain fully borne by South Cambridgeshire District Council and not the precepting authorities

**Considerations**

9. It is proposed to set out guidelines under which any individual application for a reduction under Section 13A would be considered. Each case would be considered on its merits but the guidelines are intended to ensure that a consistent approach is taken and that applicants understand how their application will be assessed.
10. The new Council Tax Support scheme introduced from April 2013 is similar to the previous Council Tax Benefit scheme in that awards are means tested and based on the applicant's income, capital and family make up.
11. A Section 13A reduction would be considered only in exceptional circumstances where the tax payer is unable to meet the legal obligation to pay their Council Tax liability and they have taken all reasonable steps to resolve the situation themselves.
12. Without a framework for considering applications there is a risk of damage to the Council's reputation if a customer took their case to the Ombudsman.

**Options**

13. The options are limited. Adopting the policy outlined in this report will assist in achieving collection targets, savings targets and will mitigate the risk of legal challenge.

**Implications**

14.	Financial	<p>The cost of any reduction under Section 13A falls to South Cambridgeshire District Council.</p> <p>It is anticipated that any discounts are likely to be few in number and for short periods</p>
	Legal	<p>The Local Government Act 2003, Section 75, introduced Section 13A Billing Authority's (Power to Reduce Amount of Tax Payable) into the Local Government Finance Act 1992</p> <p>Until the power under section 13A was created there was no legal basis for a Local Authority to reduce the amounts of Council Tax on the basis of potential hardship of the charge payer</p>
	Staffing	None
	Risk Management	Without a framework for considering applications there is a risk of damage to the Council's reputation if a customer took their case to the Ombudsman.

Equality and Diversity	We ensure that revenue collection and benefits administration are delivered in a fair and consistent manner to all members of the community.
Equality Impact Assessment completed	Yes: An Equalities Impact Assessment has been carried out and shows no adverse impacts on Protected Characteristics.
Climate Change	None

**Consultations**

15. None

**Consultation with Children and Young People**

16. None

**Effect on Strategic Aims**

17. The policy will ensure the targets set continue to reflect a high standard of service, particularly in consideration of the current economic climate.
18. Targets are set in consideration of the current economic climate in order to facilitate a balanced approach to collection. We aim for high collection levels but recognise the increased difficulty some residents and businesses will experience in paying bills. Those who are entitled to benefit and reliefs are encouraged to apply and applications are dealt with swiftly.

**Conclusions / Summary**

19. The adoption of a formal policy will ensure recovery and collection will remain at the forefront of our priorities and enable staff to work in accordance with the associated legislation.

**Background Papers:** the following background papers were used in the preparation of this report:

None

Appendix 1: Policy Document

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