

 <p>COTSWOLD DISTRICT COUNCIL</p>	<p><b>COTSWOLD DISTRICT COUNCIL</b></p>
<p>Name and date of Committee</p>	<p><b>CABINET – 7 JUNE 2021</b></p>
<p>Report Number</p>	<p><b>AGENDA ITEM 8</b></p>
<p>Subject</p>	<p><b>COUNCIL TAX EXCEPTIONAL HARDSHIP DISCRETIONARY POLICY</b></p>
<p>Wards affected</p>	<p>ALL</p>
<p>Accountable member</p>	<p>Cllr Mike Evey - Deputy Leader and Cabinet Member for Finance Email: <a href="mailto:mike.evey@cotswold.gov.uk">mike.evey@cotswold.gov.uk</a></p>
<p>Accountable officer</p> <p>Author</p>	<p>Jon Dearing - Group Manager for Resident Services Tel: 01993 861221</p> <p>Mandy Fathers - Business Manager for Operational Support and Enabling Tel: 01993 861232</p>
<p>Summary/Purpose</p>	<p>This report outlines proposals to introduce a Council Tax Exceptional Hardship Discretionary Policy to assist the Council in making decisions when considering such applications from Council Tax payers in the district.</p>
<p>Annexes</p>	<p>Annex A – Council Tax Exceptional Hardship Discretionary Policy</p>
<p>Recommendation/s</p>	<p><i>That Cabinet approve:</i></p> <p><i>a) To adopt the Council Tax Exceptional Hardship Discretionary Policy;</i></p> <p><i>b) The decision making process as detailed within paragraph 4.2 of this report.</i></p>
<p>Corporate priorities</p>	<p>Delivering our services to the highest standards</p> <p>Helping residents and communities access the support they need for good health and wellbeing</p>
<p>Key Decision</p>	<p>NO</p>

Exempt	NO
Consultees/ Consultation	The Leader of the Council, The Deputy Leader of the Council, The Chief Executive Officer, The Deputy Chief Executive Officer, The Monitoring Officer, Legal Services Manager

## **1. 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 in 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.

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 is listed at 3.1 in Annex A.

- 2.2. 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. During the flood event at Christmas 2020, officers from Gloucestershire County Council expressed the County Council's support for a discretionary Council Tax scheme which would support Council Tax Payers in exceptional circumstances and stated that the County Council would be willing to pay a proportionate share of the costs of the discount as this as the body benefiting the most from the collection of Council Tax.

### **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 pass on costs to other major precepting authorities. However, Officers from Gloucestershire County Council have expressed the County Council's support for this Policy, as the body benefiting the most from the collection of Council Tax. Officers will include the level of financial support from the County Council in decision-making reports.
- 3.2. In circumstances where there could be a high demand for discretionary support for Council Tax, such as events which trigger the implementation of the Council's Emergency Response Plan, Officers will engage with the County Council to confirm the commitment to financial support for the costs of implementing this Policy. The level of County Council financial support will be included in decision-making reports to the Cabinet Member or Cabinet.
- 3.3. Based on the average band D property for 2021/2022 the full cost associated with a discount would be £1,902.36 for the full financial year. Should Gloucestershire County Council give their full support for these discounts their share would be 74.07% (£1,409.22) per case and the District Council £493.14. Discounts are rarely awarded for the full financial year so it is envisaged that any award given would be less than the example given.
- 3.4. 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 the decision making process for individual applications be determined by the Cabinet Member with responsibility for Finance in consultation with the Deputy Chief Executive in her role as 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 Deputy Chief Executive and the Cabinet Member with responsibility for Finance.

**5. RISK ASSESSMENT**

- 5.1. The adoption of this policy will help to reduce the risk of challenge against the administrative processes of such a discount, as it will be subject to scrutiny by other elected members through the Council's scrutiny processes.

**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.

(END)