



Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	DEPUTY LEADER AND CABINET MEMBER FOR FINANCE DECISION MEETING
Subject	DISCRETIONARY COUNCIL TAX DISCOUNT – APPLICATION 2
Wards affected	Northleach
Accountable member	Cllr Mike Evemy – Deputy Leader and Cabinet Member for Finance Email: mike.evemy@cotswold.gov.uk
Accountable officer	Mandy Fathers – Business Manager, Environmental, Welfare and Revenue Service Email: democratic@cotswold.gov.uk
Report author	Chris Kent – Revenues Manager Email: democratic@cotswold.gov.uk
Summary/Purpose	To determine an application for Discretionary Council Tax discount submitted under Section 13A of the Local Government Finance Act 1992, as amended.
Annexes	None
Recommendation(s)	That the: I. Application for Discretionary Council Tax discount submitted under Section 13A of the Local Government Finance Act 1992, as amended, is refused.
Corporate priorities	<ul style="list-style-type: none">• Deliver the highest standard of service
Key Decision	No
Exempt	No
Consultees/ Consultation	Leader of the Council, Deputy Leader and Cabinet Member for Finance, Chief Executive Officer, Deputy Chief Executive, Interim Head of Legal Services, Monitoring Officer, Assistant Director for Resident Services, Finance Business Partner. Finance Director (Publica)



EXECUTIVE SUMMARY

- 1.1 Council Taxpayers who find themselves unexpectedly in difficult financial circumstances can apply for a discretionary reduction under Section 13A of the Local Government Finance Act 1992, as amended. The eligibility criteria is outlined in the Council's policy, which is published on-line.

The report outlines the circumstances of an application for this relief and the recommendation.

BACKGROUND

- 1.2 The Council has been approached by a resident in Northleach, to request a Discretionary Discount be applied to the arrears on their Council Tax account of the property. Amounts are outstanding for financial years 2018/19, 2019/20, 2020/21 and 2022/23 financial years. There is also an amount due for 2023/24.
- 1.3 This is a Band F Council Tax property. The outstanding amounts for each year are as follows

Year	Outstanding Balance
2018/19	£1,240.88
2019/20	£1,975.19
2020/21	£2,315.44
2021/22	£1,954.81
2022/23	£1,811.11
2023/24	£1,914.28
Total	£11,211.71

- 1.4 Under Section 13A of the Local Government Finance Act 1992, as amended, the Council can use its discretionary powers to reduce the liability for Council Tax in relation to individual cases where someone has found themselves in difficult circumstances.

2. MAIN POINTS

- 2.1 The application has been made in joint names, but the Council Tax shows only one of the applicants as liable. This is because the other applicant is considered Severely Mentally Impaired (SMI) and therefore not liable under Council Tax legislation. They are also terminally ill, in need of heart surgery and other operations.



- 2.2** A disregard for SMI has been awarded on the account since August 2021, which is a 25% reduction. A disabled band reduction has also been awarded on the property since December 2019, which reduces the Council Tax charge from a Band F to that of a Band E. Local Council Tax Support (LCTS) was in payment on the account, but the award of the SMI reduction and disabled band reduction made them ineligible for further LCTS.
- 2.3** The Council followed its Recovery policy and there was an arrangement agreed which fell into arrears. Some of the debts were passed to Enforcement Agents for collection, but these have been returned to the Council after we learnt of the applicant's circumstances and didn't want to add extra costs to their debts. Payments since November 2020 total just £400.00 across all outstanding years.
- 2.4** The applicant has completed an Income and Expenditure form and a financial assessment has been carried out which shows a surplus income at the end of each month. They own their property and are taking advantage of an equity release scheme.

3. ALTERNATIVE OPTIONS

- 3.1** The Cabinet Member may decide to permit Council Tax discount to cover some of the outstanding debt. Examples of the cost of alternative discount levels are set out below:

Year	Outstanding Balance	
2018/19	100%	£1,240.88
	50%	£620.44
	25%	£310.22
2019/20	100%	£1,975.19
	50%	£987.60
	25%	£493.80
2020/21	100%	£2,315.44
	50%	£1,157.72
	25%	£578.86
2021/22	100%	£1,954.81
	50%	£977.41
	25%	488.70



2022/23	100%	£1,811.11
	50%	£905.56
	25%	£452.78
2023/24	100%	£1,914.28
	50%	£957.14
	25%	£478.57

4. CONCLUSIONS

- 4.1** Taking the applicant's personal circumstances into consideration, they do not meet the criteria in the Council's 'Section 13A' Policy. When determining an application, consideration must be made to whether the applicant has access to assets or savings that could be released to pay the Council Tax. As the applicant owns a property with an estimated value in excess of £600,000 and has already released some equity from it, they could use this scheme further to pay their outstanding Council Tax debts.
- 4.2** It is therefore recommended that Section 13A provisions are not used to clear the amounts outstanding.

5. FINANCIAL IMPLICATIONS

- 5.1** 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. The cost will fall upon the Council's General Fund balance.

6. LEGAL IMPLICATIONS

- 6.1** Under Section 13A of the Local Government Finance Act 1992 (as amended by Section 76 of the Local Government Act 2003) the Council can award a discretionary Council Tax discount.

7. RISK ASSESSMENT

- 7.1** There is a risk that approving this award may lead to setting a precedent for similar requests being made. However, each application should be considered on its own merits and the other circumstances the applicant may be experiencing.



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8. EQUALITIES IMPACT

There are no unacceptable adverse effects on the protected characteristics covered by the Equalities Act 2010 that have been identified.

9. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

9.1 None

10. BACKGROUND PAPERS

10.1 None

(END)