

# **City of Wolverhampton Council**

## **Council Tax Discretionary Discount Policy**

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## **1. Introduction**

- 1.1 Section 13A of the Local Government Finance Act 1992 provides councils with discretion to grant a discount in individual cases or to a prescribed classification of cases. The discount can be anything up to 100% of the council tax bill and is met from Council resources.
- 1.2 The Local Government Finance Act 2012 abolished the national council tax benefit scheme and councils were given powers to develop their own schemes for council tax reduction from 01 April 2013.
- 1.3 The Wolverhampton Council Tax Reduction Scheme does not award full support with council tax liability to anyone of working age. As a consequence some households in Wolverhampton may be experiencing extra difficulty in meeting their new or increased liability.
- 1.4 In the event of any future revisions that make the scheme less generous, the council has a duty to consider transitional protection. Individuals who are identified as in need of transitional protection will be considered for a discount under this policy.
- 1.5 This document sets out the Council's framework for granting a discount to customers experiencing hardship for any reason.

## **2 Purpose and Principles of the Policy**

- 2.1 The purpose of this policy is to assist those people experiencing hardship either as a result of the introduction of, or revisions to, the council tax reduction scheme or for any other reason. It is expected that a discount will only be granted in exceptional circumstances.
- 2.2 This policy aims to provide financial assistance where the customer is the victim of unusual and significant misfortune. A consideration would be whether the situation is of such an unusual nature and have such an impact on the customer that any reasonable taxpayer would accept them being allowed relief to reduce their council tax e.g. where an area is subjected to unexpected flooding.
- 2.3 This policy also aims to support people to meet their council tax liability where they are able to demonstrate exceptional hardship. The test of hardship will be determined by the applicant's individual circumstances and financial ability to make payment.
- 2.4 Each application will be considered on its own merits.
- 2.5 Where appropriate, discounts will complement other support mechanisms for example debt management, money/budgeting advice, maximising benefit, other discretionary support available for other purposes (e.g. Discretionary Housing Payments, Local Discretionary Grant Scheme awards) or referrals to specialist advice services.

### Section 3: Awarding a Discount

- 3.1 A discount will be considered to meet some or all of the costs of council tax liability for a period of time where the applicant is able to demonstrate exceptional hardship. It may be granted for any period considered to be reasonable and where the applicant's circumstances are long standing will be subject to a review before the end of that period to check for any changes. The period and amount of any discount under this scheme will be at the discretion of the Council.
- 3.2 The application should relate to the current council tax year unless the liable person has recently received a council tax bill for a previous year. No award may be made in respect of future years.
- 3.3 Factors that will be taken into account when considering applications for a discretionary award are:
- That the applicant has an outstanding balance on their council tax account
  - Whether an extended repayment period is an appropriate alternative
  - There must be evidence of hardship or particular personal circumstances to justify a discount
  - Whether any other occupants of the property could be expected to contribute
  - The applicant has taken reasonable steps to resolve their situation prior to their application i.e. has made efforts to access alternative source of support, claimed discounts, exemptions and any council tax reduction they may be entitled to
  - Enforcing payment of the customer's full council tax liability would result in severe hardship e.g. insufficient money being available for their basic and essential needs such as housing, food, heating, lighting or medical needs
  - Whether there has been a major incident which forces the customer out of the property such as a flood, storm damage or explosion
  - Whether any award would be reasonable having regard to the interests of other council tax payers.
- 3.4 If a person is submitting an application for discount from the long term empty property premium the following will also be taken into account:
- Where the owner can clearly demonstrate ongoing and realistic efforts to sell or let their property over the last two years since it became empty
  - Where the owner is experiencing particular legal or technical issues which is preventing the sale or letting of the property
  - Where the long term empty premium is already being charged and the new owner is being prevented from immediate occupation due to major repairs needed to make the property habitable. The new owner must occupy the property within 3 months of purchase and then continuously for at least 6 months.
  - Where the owner is in negotiation with the Council with a genuine view to letting the property under the Council's scheme(s)

- Whether collection of the charges could reasonably be deferred until the property is sold.
- 3.5 Meeting the above factors will not give an automatic entitlement to a discount. The discretionary nature of this scheme will require consideration of individual circumstances based on supporting information to demonstrate exceptional hardship.
- 3.6 In assessing basic and essential needs the claimant's age, health and status will be taken into consideration. Expenditure which does not relate to basic and essential needs will not normally be taken into account when assessing hardship and examples of these items are listed below, however this is not an exhaustive list and will depend on individual circumstances:
- Rental charges for TV, satellite and internet
  - Telephone charges for mobile and landline considered unreasonably high
  - Credit cards, store cards, loans and other catalogue debts.
- 3.7 A discount would be considered to cover the following; however, this does not guarantee a discount to cover the full council tax liability:
- The shortfall between the amount of daily council tax reduction awarded and the daily council tax liability
  - In the case of persons not in receipt of council tax reduction the discount could be up to the amount of daily council tax liability but not exceed it.
- 3.8 A discretionary discount will not be considered to cover the following:
- Court and bailiff costs applied to the account
  - Charges relating to empty homes that are normally rented out on a commercial basis.
- 3.9 No cash payments will be made. Any discount under this discretionary scheme will be credited to the council tax account.

#### **4. Application Process**

- 4.1 Customers who wish to make an application for this discretionary discount should apply in writing giving details to support their application. If appropriate, the Council may ask for further information to support the application. If this is not provided within the timescale requested, a decision will be made based on the information already provided.
- 4.2 The application should normally be made by the person liable for council tax. However, a person acting on their behalf can submit an application if the customer is vulnerable and requires support. The applicant must provide their consent in writing in these circumstances.
- 4.3 The council will aim to process all applications within 28 working days and applicants will be notified of the decision in writing.

- 4.4 If a discount is granted and the customer has a change of circumstances which may reduce or remove the need for the discretionary discount, they should inform the council in writing within 14 days of that change in circumstances and the discount may be reduced or recovered.
- 4.5 Changes in circumstances include any changes to the circumstances of the claimant, their partner or any non-dependant in the household. The list below is not exhaustive and recipients are advised to contact the Revenues and Benefits Service if they need clarification:
- Entitlement and payment of housing benefit
  - Address
  - Income and capital
  - Outgoings
  - Availability of other financial assistance
  - Household composition
  - Entitlement to any other benefits including disability related income.
- 4.6 The discretionary discount will be ceased or reduced if the council determines any of the following:
- The application was based in whole or part on a misrepresentation
  - The applicant has failed to disclose a material fact
  - The discount was made as a result of an error
  - The applicant informs the Council of a relevant change in circumstances
  - The applicant fails to inform the Council of a relevant change in circumstances.
- 4.7 If the Council decides to cease or reduce the discount, it will notify the applicant of the decision in writing with reasons. The applicant may appeal against the decision in accordance with Section 5.
- 4.8 Any discretionary discount that we have deemed to have been paid incorrectly will be recovered from the council tax account or by invoicing the recipient if the council tax account is closed.

## **Section 5: Appeal Process**

- 5.1 Any customer who considers the decision to be unreasonable may appeal against the decision. The appeal should be made in writing to the Council and include the reasons for the appeal and any supporting information.
- 5.2 The applicant will be notified of the outcome of the appeal in writing within two months as required by law.
- 5.3 If the applicant still disputes the decision, or has not received a response within two months, he or she has the right to submit an appeal to the Valuation Tribunal. However, the Valuation Tribunal can only consider whether the decision was made reasonably by the Council by applying

Judicial Review principles. Applicants would be advised to seek independent advice.

## **Section 6: Fraud**

- 6.1 The Council is committed to protecting public funds and ensuring funds are awarded to the citizens who are rightfully eligible to them. An applicant who tries to fraudulently claim an award from the council tax discretionary fund by falsely declaring their circumstances, providing a false statement or providing evidence in support of their application, may have committed an offence under The Fraud Act 2006.
- 6.2 Where the Council suspects that such a fraud may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings being instigated.