

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 charge and is met from Council resources.
- 1.2. This document sets out the Council's framework for exercising its discretion to award a discount that will waive some, or all, of a council tax liability.

2. Categories of award

2.1. Hardship

- 2.1.1. Awards in this category will discount up to 100% of the council tax charge for people experiencing exceptional hardship or, through no fault of their own, a crisis that has made their property uninhabitable.
- 2.1.2. The circumstances in which this category of award will be considered and criteria for making an award are set out in appendix 1 of this policy.

2.2. Care Leavers

- 2.2.1. Awards in this category will discount up to 100% of the council tax charge for care leavers up to the age of 25.
- 2.2.2. The circumstances in which this category of award will be considered and criteria for making an award are set out in appendix 2 of this policy.

2.3. Overpayments of Council Tax Support

- 2.3.1. Awards in this category will remove the requirement for overpayments of council tax support to be repaid in limited situations.
- 2.3.2. The circumstances in which this category of award will be considered and criteria for making an award are set out in appendix 3 of this policy.

2.4. Long term empty property premium

- 2.4.1. Awards in this category will discount up to 100% of the long-term empty property premium, applied after a property has been empty for two years.
- 2.4.2. The circumstances in which this category of award will be considered and criteria for making an award are set out in appendix 4 of this policy.

3. Application process

- 3.1. Applications should be made in writing and include supporting evidence. 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.

- 3.2. The application should normally be made by the person liable for council tax. However, a person acting on their behalf can apply if the customer is vulnerable and requires support. The applicant must provide their consent in writing in these circumstances.
- 3.3. In the case of a care leaver, the Council will apply the discount where its own records show that the conditions in appendix 2 are met.
- 3.4. In the case of an overpayment of council tax support, the Council will apply the discount where its own records show that the conditions in appendix 3 are met.
- 3.5. The council will aim to process all applications within 28 working days and applicants will be notified of the decision in writing.

4. Period of award

- 4.1. Awards will commence from the date of application or the date on which the need for assistance arose.
- 4.2. Awards will end on either the last day of the current financial year or the date on which the need for assistance ends, whichever is the earlier.
- 4.3. If an award is made and the customer has a change of circumstances which reduces or removes the need for it, they should inform the Council in writing within 14 days of that change in circumstances and the award may be reduced or recovered.
- 4.4. The award will end or be 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 award was made because 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.
- 4.5. If the Council decides to end or reduce the award, it will notify the applicant of the decision in writing with reasons. The applicant may request a review of the decision in accordance with Section 6.
- 4.6. Any award that is 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.

5. Reviews and Appeals

- 5.1. Appeals against the Council's decision may be made in accordance with Section 16 of the Local Government Finance Act 1992.
- 5.2. If an application is refused the Council will provide a reason for refusal.
- 5.3. If the person wishes to appeal against the decision, they must write to the Council requesting a review of its decision.

- 5.4. The appeal should set out the reasons for disagreeing with the decision and include any supporting information.
- 5.5. The appeal will be considered by an officer independent of the original decision maker.
- 5.6. The applicant will be notified of the outcome of the appeal in writing within two months.
- 5.7. If the applicant remains aggrieved, or no response to the appeal has been given within two months, an appeal can be made to the Valuation Tribunal. This further appeal should be made within 2 months of the decision of the Council (or when that decision should have been received if no response has been made). Further details can be obtained from the Valuation Tribunal Service website <https://www.valuationtribunal.gov.uk/>.

6. Fraud

- 6.1. The Council is committed to protecting public funds and ensuring funds awarded to the citizens who are rightfully eligible to them. An applicant who tries to fraudulently claim a council tax discretionary discount 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, the matter may be investigated and could lead to the instigation of criminal proceedings, as appropriate.

Hardship

1. Awards may be made:
 - To assist people experiencing hardship either because of the introduction of, or revisions to, the council tax support scheme. It is expected that a discount will only be granted in exceptional circumstances.
or
 - 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.
or
 - To support people to meet their council tax liability where they can demonstrate exceptional hardship. The test of hardship will be determined by the applicant's individual circumstances and financial ability to make payment.
2. Where appropriate, discounts will complement other support mechanisms for example, debt management, money/budgeting advice, maximising benefit, other discretionary support available for other purposes or referrals to specialist advice services.
3. A discount will be considered to meet some or all the costs of council tax liability for a period 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. The period and amount of any discount under this scheme will be at the discretion of the Council or in accordance with any specific scheme funded by the Government.
4. Factors that will be considered are:
 - That the applicant has an outstanding balance on their council tax account
 - Whether an extended repayment period could be an alternative option
 - There must be evidence of hardship or 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 the circumstances satisfy the criteria set by the Government for any specific scheme

- Whether any award would be reasonable having regard to the interests of other council taxpayers.
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.
 6. Where there is a severe weather event and the Government invokes their support plan, relief will be granted strictly in accordance with Government guidance. 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 considered when assessing hardship and examples of these items are listed below. 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.
 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.
 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.
 - A deceased persons property whilst the estate is settling matters for its beneficiaries.
 9. No cash payments will be made. Any discount under this discretionary scheme will be credited to the council tax account.

Care Leavers

1. The council's Corporate Parenting Strategy articulates a commitment to improving outcomes for looked after children and to narrowing the gap between them and their peers.
2. Awards in this category aim to assist those care leavers up to the age of 25 whose only support is the council, by reducing the barriers of living in the community, providing them with increased support and lifting them from poverty. It will support these care leavers to meet their council tax liability.
3. This policy is effective from 1 April 2023 for care leavers whose corporate parent was not City of Wolverhampton; discounts cannot be backdated prior to this date. For care leavers where City of Wolverhampton was their corporate parent, the discount can be backdated to when they became liable for council tax.
4. A discount will be applied of up to 100% of the council tax liability after any other discounts have been applied for any care leaver living in Wolverhampton up to the day, they reach 25 years of age.
5. For the discount to apply, any Local Authority within the United Kingdom must have been the Corporate Parent and held responsibility for the care leaver at the point the young person left care.
6. Discounts can be backdated to the 1 April of the financial year in which either an application for a discount is received or the council identifies that the conditions for the discount are met. Where the liability started after the 1 April of that financial year, then the discount will be awarded from the date the liability started.
7. Where other people are resident, the 100% discount will still be granted, even where there are others that are jointly and severally liable with the care leaver.
8. If the person leaves Wolverhampton and returns, they will be entitled to the discount for any period they are liable for council tax in Wolverhampton provided the other conditions are satisfied.
9. City of Wolverhampton Council will apply the discount where records show that the care leaver meets the conditions of the policy.
10. The City of Wolverhampton Council will accept applications made in writing or verbally.

Overpayments of Council Tax Support

1. Council tax support may be reduced if the amount that has been assessed is found to be incorrect.
2. If the correction is backdated, an overpayment will be calculated resulting in an increased bill. Overpayments may also be referred to as 'reversals' or 'adjustments'.
3. Most overpayments of council tax support are recoverable from the council taxpayer.
4. This policy allows the council to use its discretion not to claim back an overpayment of council tax support.
5. Awards in this category provide a discount of up to the amount of any overpayment that:
 - Has resulted from an act or omission by an officer of the Council – an 'official error'.
and
 - The claimant could not reasonably have known about it.
and
 - The claimant did not contribute to.
6. The period of the overpayment covered under this policy is from the effective date of the correction up to the date that the correction is made.

Long Term Empty Property Premium

1. In addition to those criteria listed under hardship, the following will be considered:
 - 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 legal or technical issues which is preventing the sale or letting of the property.
 - Where the long-term empty property 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 themselves 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.

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