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Wolverhampton City 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 if working age. As a consequence some households in Wolverhampton may be experiencing extra difficulty in meeting their new or increased council tax 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. The policy aims to provide short term 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.
- 2.3. This policy 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,

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other discretionary support (e.g. Discretionary Housing Payments, Local Discretionary Grant Scheme awards) or referrals to specialist advice services.

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 fixed period of time where the applicant is able to demonstrate exceptional hardship. It may be granted for any period considered to be reasonable up to a maximum of 12 months. 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 a extended repayment period is an appropriate alternative
 - There must be evidence of hardship or particular personal circumstances to justify a discount
 - 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 the customer's circumstances are likely to improve
 - 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. 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 severe hardship.
- 3.5. 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 be taken into account when assessing hardship and examples of these items are listed below, however , this is not an exhaustive list;
 - Rental charges for TV, Satellite and Internet

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- Telephone charges for mobile and landline considered unreasonably high
 - Credit cards, Store cards, Loans other catalogue debts
- 3.6. 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 person not in receipt of council tax reduction the discount could be up to the amount of daily council tax liability but not exceed it.
- 3.7. 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.
- 3.8. No cash payments will be made. Any discount under this discretionary scheme will be credited to the council tax account.

4. The 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 reduces or removes the need for the discretionary discount, they should inform the council within 14 days of that change in circumstances and the discount may be reduced or recovered.
- 4.5. The discretionary discount will be recovered if the council determines that payment was made as a result of misrepresentation, fraud or failure to disclose information correctly.
- 4.6. Any discretionary discount that is deemed to have been paid incorrectly will be recovered from the council tax account.

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5. Review Process

- 5.1. Under the Local Government Finance Act 1992, there is no right of appeal against the council's use of discretionary powers. The council will however accept a written request for a review of its decision. The request should include the reasons for requesting a review and any supporting information.
- 5.2. Reviews will be considered by an officer independent of the original decision maker.
- 5.3. The letter notifying of the outcome of an application for discount will include instructions on how to request a review and the address where any request for review should be sent
- 5.4. The applicant will be notified of the outcome of the review in writing.