

POWYS COUNTY COUNCIL

COUNCIL TAX

LOCALLY DEFINED DISCOUNTS (Section 13A) FRAMEWORK

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Powys County Council – Council Tax-Locally Defined Discounts (section 13a) framework

INTRODUCTION

This framework identifies the legislation, group classification, individual criteria and procedures to have regard to in considering applications for Section 13a Council Tax locally defined discounts.

BACKGROUND

Under Section 13A of the Local Government Finance Act 1992 (as inserted by Section 76 of the Local Government Act 2003), the Council has the power to reduce liability for Council Tax in relation to individual cases or class(es) of properties that it may determine and where national discounts and exemptions cannot be applied.

A class of property is where several people who pay Council Tax would fall into a Group because their circumstances are similar – for example; Council Tax payers that have had to leave their homes due to flooding. The Act states:

1. Where a person is liable to pay council tax in respect of any chargeable dwelling and day, the billing authority for the area in which the dwelling is situated may reduce the amount which he is liable to pay as respects the dwelling and the day to such extent as it thinks fit.
2. The power under subsection 1) above includes the power to reduce an amount to nil.
3. The power under subsection 1) may be exercised in relation to particular cases or by determining a class of case in which liability is to be reduced to an extent provided by the determination.

HOW IS THE DISCOUNT FUNDED

There are financial implications in awarding any discounts other than those currently available under the statutory legislation and the financial burden of Section 13A discounts has to be met 100% by the Council so is funded through an increase in the general level of Council Tax for other payers.

CLASSES OF PROPERTIES FOR SECTION 13A DISCOUNT

The Council's classes of properties where Section 13A may be granted. This would only be exercised where other council tax reductions, discounts or exemptions available have been explored and exhausted.

Current classes of properties which may be granted Section 13a and the proposed amount of relief are:

Class of Property	Criteria	% Of discount	Maximum Award*
Damaged by Fire	Property incapable of occupation, or only partial occupation, due to extensive damage	Up to 100%	12 Months
Property Flooded	Property incapable of occupation, or only partial occupation, due to extensive damage	Up to 100%	12 months
Unsafe property- such as: Gas or oil leak, storm damage, subsidence.	Property incapable of occupation, or only partial occupation, due to extensive damage or a risk to occupants health & wellbeing	Up to 100%	12 months

Where full or partial occupation occurs during the period of the award the ratepayer must inform the Council of the change in circumstances, in writing within **21 days**, and the discount will be reduced or ended accordingly.

* Where the conditions for granting a reduction under Section 13a remain after the period of the award ends, the tax-payer is encouraged to submit a further application for section 13a.

INDIVIDUAL APPLICATIONS FOR SECTION 13A DISCOUNT

When applying for the discount the rate payer must note:

- Demonstrate evidence of exceptional, unforeseen circumstances to justify any reduction and that it will be intended only as short term assistance and must not be considered as a way of reducing Council Tax liability indefinitely.
- Any application made under Section 13a of the Local Government Finance Act 1992 should be one of last resort and any entitlement to council tax

reduction, discount or exemption or Valuation Office/Valuation Tribunal action and appeal should be explored prior to an application being made.

- Requests for reductions in Council Tax liability (occupied or empty tax) will need to be submitted from the Council Tax Payer, their advocate/appointee or a duly authorised third party acting on his/her behalf.
- The request must set out the circumstances on which the application is based and any personal circumstances relating to the application.
- The Council may request reasonable and relevant evidence in support of the application, and may arrange for a home visit to ascertain the circumstances
- The Council Tax payer or applicant must satisfy the Council that all reasonable steps have been taken by him/her to resolve their own situation prior to application.
- If the Council Tax account is in arrears, the Portfolio holder must be satisfied that there is a genuine and justified reason for the non-payment.
- The length of time of the proposed reduction will be a maximum period of 12 months, however if at end of any award the tax payers circumstances remain the same, then they can, and are encouraged, to submit a further application for a section 13a discount.

HOW TO APPLY FOR A SECTION 13A DISCOUNT

Applications may be submitted by:

E-mail – revenues@powys.gov.uk

Writing – P.O. Box 71, Llandrindod Wells, Powys, LD1 9AQ.

The application must clearly state:

- It is an application for section 13a discount,
- Whether discount is being sought under a class of property or due to individual circumstances.
- Contain appropriate supporting information/evidence.

ACKNOWLEDGING THE APPLICATION

The Council will acknowledge all applications for Section 13a discount. The acknowledgement will advise ratepayers of the likely time for any decision to be made, and of the possibility that the Council may need to ask questions or make further enquiries.

DETERMINING THE APPLICATION

The port-folio holder for Finance will consider all applications for a Section 13a discount on their individual merits, and it is expected that criteria below is met:

- Evidence of exceptional or unforeseen circumstances that justifies a reduction in the council tax liability

- The taxpayer has taken all reasonable steps to resolve their situation prior to the application, which may include contacting external agencies for support, such as citizens advice bureau and money advice agencies.
- The taxpayer must have applied for any appropriate, reduction, discount or exemption and supplied any information or evidence requested by the council tax section in respect of that application. This may include an Income and expenditure statement, any sources of credit for example cash cards, credit cards, store cards, overdraft facilities and loan arrangements.

NOTICE OF DECISIONS

The Council will notify all applicants for Section 13a discount of their decision in writing.

Where a discount is granted, the letter will advise:

- The amount of discount granted and the date from which it has been granted
- If a discount has been granted for a specified period, the date on which it will end.
- The new chargeable amount.
- The details of any planned review dates and the notice that will be given in advance of a change to the level of relief granted.
- A requirement that the applicant should notify the Council of any change in circumstances that may affect entitlement to the discount.

Where a Section 13a discount is not granted:

- An explanation of the decision not to grant a discount
- The right of appeal against the decision, and the time-limit within which an appeal is required to be made

PROTECTION OF PUBLIC FUNDS

The council is committed to the fight against fraud in all its forms. Any applicant who tries to fraudulently claim a Section 13A discount might have committed an offence under the Fraud Act 2006.

If the Council suspects that fraud may have occurred, the matter will be investigated and this could lead to criminal proceedings.

THE RIGHT OF APPEAL

The grounds for appeal arise under section 16 Local Government Finance Act 1992. An appeal against a decision by the Council to reject or restrict the award of a Section 13a discount must be made in writing within **21 days** from the date of notification of the decision. The Appeal must clearly set out the grounds of appeal, and supply all relevant supporting documentation. Where the original decision was made in ignorance of all the facts the decision will be reviewed by the Portfolio Holder for Finance, otherwise the appeal application will be considered by members of the Cabinet.

If the taxpayer is still dissatisfied, they may appeal to the Valuation Tribunal for Wales. If the taxpayer receives no notification from the billing authority within 4 months, they may appeal to the Valuation Tribunal for Wales.