

Date: **2 March 2023**

Title: **Council Tax Discretionary Discount Policy**

Portfolio Area: **Cllr Hopwood – Service Delivery**

Wards Affected: **All**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken: 1 April 2023

Author: **Geni Hotchkiss** Role: **Head of Revenues and Benefits**

Contact: **geni.hotchkiss@swdevon.gov.uk**

---

**RECOMMENDATIONS:**

**That the Executive:**

- 1. grant approval to implement the Council Tax Discretionary Discount Policy, attached at Appendix A, from 1 April 2023; and**
- 2. delegate authority to the Director of Strategic Finance (S151 Officer) to agree awards of a Council Tax Discretionary Discount, which have been recommended for authorisation by the Principal Revenues Officer, in consultation with the Head of Revenues and Benefits.**

**1. Executive summary**

- 1.1 Section 13A (1) (c) of the Local Government Finance Act 1992 gives billing authorities (those responsible for the billing and collection of council tax) the discretionary power to reduce, or further reduce, the amount of council tax a person is liable to pay.
- 1.2 This discretion is in addition to various statutory reductions, discounts and disregards contained in Council Tax legislation. The power is applied in exceptional and extenuating circumstances, such as a fire or flood making a property uninhabitable, and will normally be for a short period of time.
- 1.3 The Council agreed a Council Tax Discretionary Discount and Reduction Policy in March 2015. It is good practice to review policies at appropriate intervals and, due to the current cost of

living crisis, it is also an appropriate time to review and refresh the policy and provide a clear framework for discretionary decisions.

- 1.4 This policy is separate to the Council's Exceptional Hardship Fund which continues to provide additional support to residents receiving Council Tax Reduction due to low-income, but are nonetheless still experiencing financial hardship.

## **2. Background**

- 2.1 Councils have the discretion to award Council Tax discounts of up to 100% of the amount of Council Tax due. Discounts can be awarded on an individual basis or in respect of specific class of property or council taxpayer.
- 2.2 Applications for discretionary discounts must be considered on their individual merits and should only be made in exceptional circumstances. The cost of any discount awarded is met from the Council's General Fund.
- 2.3 It is not considered that there will be many applications for a Council Tax Discretionary Discount as the Council Tax Reduction Scheme supports those residents on low incomes. It is envisaged that the number of cases considered under the policy will be in single figures in each financial year (e.g. less than 10). This policy is also supplemented by the Council Tax Exceptional Hardship Fund which can be used to assist those residents who are receiving Council Tax Reduction, but are still experiencing financial hardship.
- 2.4 In order to ensure that a consistent approach is taken towards the award of discretionary council tax discounts, it is proposed that the policy attached at Appendix A is adopted with effect from 1 April 2023.

## **3. Outcomes/outputs**

- 3.1 The introduction of an updated Council Tax Discretionary Discount Policy means the Council will have a clear policy framework for exercising discretionary powers in a fair, reasonable and consistent manner.
- 3.2 It will provide certainty for residents in that the Council will consider applications for additional help with paying their council tax in a time of crisis or other significant life event.

## **4. Options available and consideration of risk**

- 4.1 The Council could choose not to implement a Council Tax Discretionary Discount Policy, however in doing so the Council would be subject to reputational damage.

- 4.2 Further, Councils have been heavily criticised by the Valuation Tribunal Service for not having a Council Tax Discretionary Discount Policy, including in the 'landmark' case of SC V East Riding of Yorkshire Council (2014). It is therefore recognised best practice to have a clear policy framework for considering applications for a Council Tax Discretionary Discount.

## 5. Proposed Way Forward

- 5.1 The Council Tax Discretionary Discount Policy be approved to ensure that the Council exercises its discretionary Council Tax powers in a fair, reasonable and consistent manner.

## 6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		The Council is able to award discretionary council tax discounts under Section 13A 1 (c) of the Local Government Finance Act 1992.
Financial implications to include reference to value for money		<p>Discretionary awards made under Section 13A 1 (c) of the Local Government Finance Act 1992 are wholly funded by South Hams District Council.</p> <p>It is not considered that there will be many applications for a Council Tax Discretionary Discount as the Council Tax Reduction Scheme supports those residents on low incomes. It is envisaged that the number of cases considered under this policy will be in single figures in each financial year (e.g. less than 10 cases per year).</p> <p>The Principal Revenues Officer will determine all Section 13A 1 (c) applications in consultation with the Head of Revenues and Benefits, with the decision being referred to the Director of Strategic Finance for authorisation.</p>
Risk		<p>The Council is able to award discretionary council tax discounts under Section 13A 1 (c) of the Local Government Finance Act 1992.</p> <p>By having a policy the Council is clear on the types of circumstances in which officers can exercise their delegation to award such discounts. The adoption of a policy framework reduces the risk of appeals following a refusal to award a discount.</p>
Supporting Corporate Strategy		<p>Supporting the Council's response to the cost of living crisis.</p> <p>Supporting the Council's Quality Services.</p>

Consultation & Engagement Strategy		There is a statutory requirement to consider applications for Council Tax Discretionary Discounts and therefore no consultation is required.
Climate Change - Carbon / Biodiversity Impact		There are not considered to be any Climate Change impacts associated with the recommendations in this report.
<b>Comprehensive Impact Assessment Implications</b>		
Equality and Diversity		The consideration of applications for a Council Tax Discretionary Discount will ensure that the Council meets its obligations under the Equality Act 2010.
Safeguarding		None as a direct result of this report, however the Council Tax Discretionary Discount Policy may help keep vulnerable children and adults safe.
Community Safety, Crime and Disorder		None as a direct result of this report, however the Council Tax Discretionary Discount Policy may help to reduce crimes such as domestic violence.
Health, Safety and Wellbeing		Financial wellbeing is crucial to the lives of our residents and the recommendations in this report are designed to support this.
Other implications		None.

### **Supporting Information**

#### **Appendices:**

Appendix A - Council Tax Discretionary Discount Policy