

Body:	Cabinet
Date:	10 December 2014
Subject:	Council Tax Discretionary Reduction Policy
Report Of:	Ian Fitzpatrick, Senior Head of Community
Ward(s)	All
Purpose	To present a Council Tax Discretionary Reduction Policy for consideration.
Recommendation:	That Cabinet adopt the policy.
Contact:	Bill McCafferty, Revenues and Benefits Manager, Telephone 01323 415171 or internally on extension 5171. E-mail address: bill.mccafferty@eastbourne.gov.uk

1.0 Introduction

- 1.1 Section 13a 1c of the Local Government Finance Act 1992 provides the council with additional statutory powers to enable it to reduce the council tax liability of council taxpayers.
- 1.2 These discretionary awards can be given to
- Individual council taxpayers
 - Groups of council taxpayers
 - Council taxpayers within a defined area; or
 - All council taxpayers in the Council's area.
- 1.3 The provision allows the Council the discretion to provide assistance to taxpayers where either the existing legislation does not provide a discount or exemption or in such circumstances where the Council feels that the level of discount, exemption or reduction is insufficient given the circumstances of the taxpayer.

2.0 Council Tax Discretionary Reduction Policy

- 2.1 The Council does not currently have a policy on the awarding of Discretionary Reductions for Council Tax.
- 2.2 A recent Valuation Tribunal decision on an appeal against a refusal to award a discretionary reduction, (S.C. v East Riding of Yorkshire Council and C.W. v East Riding of Yorkshire Council), refers to the importance of Councils having a Discretionary Scheme.
- 2.3 At 25 (6) of the decision it states, 'Although a scheme or policy is not required by statute, it is difficult to see how such an open-ended discretion

can be satisfactorily exercised in the absence of one’.

2.4 For this reason it is recommended that the Council adopt such a policy.

2.5 As none of the East Sussex Councils currently have a discretionary reduction policy, we have worked together on the development of a policy. Whilst each of our final policies may have slight differences, the main elements of each policy will be the same.

2.6 The proposed policy (Appendix A) refers to three categories of taxpayer for whom a discretionary reduction may be appropriate. Those categories are:

- Exceptional Financial Hardship
- Crisis, for example Fire or Flood
- Other circumstances

2.7 The policy sets out the process through which a taxpayer must go in applying for a reduction and lays some responsibility on the taxpayer to manage their finances by, for example:

- Ensuring that they have applied for any council tax discounts, exemptions or reduction that may be applicable;
- If appropriate, accepting assistance to enable them to manage their finances effectively; and
- Maximise their income through applying for welfare benefits and the cancellation of any non-essential contract.

2.8 One of the aims of the proposed policy is to ensure that the taxpayer has done everything in their power to enable them to meet their council tax liabilities without the need for additional financial support.

3.0 Appeals

3.1 Any appeals will, in the first instance, be dealt with by the Revenues and Benefits Manager. If the taxpayer does not agree with the decision, they have a further right of appeal to the Valuation Tribunal.

4.0 Consultation

4.1 Consultation has taken place with Members and local advice agencies. No adverse comments were received.

5.0 Resource Implications

5.1 Financial:

5.2 The cost of any awards fall on the Council.

5.3 The Valuation Tribunal decision, at 25 (15), makes it clear that the Council cannot set a budget for the maximum amount that can be awarded. As a result it is not possible to say what the maximum financial liability for the Council might be.

5.4 Staffing:

None.

6.0 Equalities

6.1 The Equality and Fairness Analysis does not highlight any areas of concern within the Policy.

7.0 Conclusion

7.1 That Cabinet adopt the proposed Council Tax Discretionary Reduction Policy for the reasons set out in this report.

lead officer name: Bill McCafferty

job title: Revenues and Benefits Manager

Background Papers:

The Background Papers used in compiling this report were as follows:

Local Government Finance Act 1992 (as amended).

The Valuation Tribunal for England Decision of 27 May 2014 – Appeal numbers 2001M113393 and 2001M117503.

Equality and Fairness Analysis Report

To inspect or obtain copies of background papers please refer to the contact officer listed above.

Appendix A – Council Tax Discretionary Reduction Policy