



**Forest of Dean**  
— DISTRICT COUNCIL —

# Council Tax Exceptional Hardship Policy

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## **I Introduction**

- 1.1 Since April 2013 each Local Authority has in place its own scheme for Council Tax Support. Unlike the Council Tax Benefit scheme the Local Council Tax Support scheme is not fully funded by Central Government and thus the onus is on Local Authorities to implement their own schemes. Whilst there is the need to have a local scheme there also needs to be some provision for those residents who do find themselves in ‘exceptional’ circumstances and require short term assistance to meet their Council Tax obligation. It is important to define what could be considered exceptional and in this instance it would be a situation that was not typical, was entirely unusual and only likely to happen very infrequently. It is envisaged that exceptional situations for the purpose of this scheme are likely to be things entirely out of the control of the council tax payer, such as flooding to a property as an example. It is therefore relevant to include those suffering severe financial hardship as a direct result of the COVID 19 global pandemic as this is an exceptional and unprecedented situation.

## **2 Legal Provision**

- 2.1 Billing authorities have discretion under Section 13(1)(c) of the Local Government Finance Act 1992, as amended, to reduce the amount of council tax payable to individuals, or for classes of council tax payer. This includes the power to reduce the amount payable to nil.

### **13A – Reductions by billing authority**

- (1) The amount of council tax which a person is liable to pay in respect of any chargeable dwelling and any day :-

(a) In the case of a dwelling situated in the area of a billing authority in England, is to be reduced to the extent, if any, required by the authority’s council tax reduction scheme (see subsection(2));

(b) In the case of a dwelling situated in the area of a billing authority in Wales, is to be reduced to the extent, if any, required by any council tax reduction scheme made under regulations under subsection (4) that applies to the dwelling;

(c) In any case, may be reduced to such extent (or, if the amount has been reduced under paragraph (a) or (b), such further extent as the billing authority for the area in which the dwelling is situated thinks fit

- (2) Each billing authority in England must make a scheme specifying the

reductions which are to apply to amounts of council tax payable, in respect of dwelling situated in its area by: –

- (a) Persons whom the authority considers to be in financial need, or
  - (b) Persons in classes consisting of persons whom the authority considers to be, in general, in financial need.
- (3) The power under subsection (1)(c) includes power to reduce an amount to nil
- (4) The power under subsection(1)(c) 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
- (5) In this part “council tax reduction scheme” means a scheme under subsection (2)

### **3 Eligibility Criteria**

3.1 The intention is for this scheme to be a last resort for exceptional situations and circumstances. It is not intended to replace any discounts, exemptions or council tax support awards. The Council will treat all applications on their individual merits, however some, or all of the following criteria should be met for each case:

- There must be clear, demonstrable evidence of financial hardship or exceptionally difficult personal circumstances that justifies a reduction in council tax liability
- The taxpayer must satisfy the Council that all reasonable steps have been taken to resolve their situation prior to the application
- The taxpayer must have applied for Local Council Tax Support – the scheme which ensures that those on low incomes receive financial support towards their council tax
- All other discounts and reliefs must have been applied to the council tax account
- The taxpayer does not have access to other assets that could be used to pay council tax
- The Council’s finances allow for a reduction to be made

- The situation and reason for the application must be out of the taxpayer's control
- The amount outstanding must not be as a result of wilful refusal or culpable neglect
- It is reasonable for the Council to award a reduction having regard to the interests of other local Council Tax payers who have to meet the cost of any relief granted
- An award can only be made for the Council Tax element of any charge, any court or enforcement agency costs applied to the account cannot be considered

**Due to the changes in the Council Tax Support scheme for 2021/2022, a hardship fund is available to the Local Authority to specifically address hardship requests specifically as a result of these changes. In all cases, relief will end in the following circumstances:**

- At the end of the financial year 2021/2022
- The liable person changes
- The council tax payer enters any form of formal insolvency
- The council tax payer's financial circumstances significantly alter

## **4 Council Tax Discretionary Hardship Payment**

4.1 The Council Tax discretionary hardship payment will be effective for 2021/22.

## **5 Claiming discretionary hardship**

5.1 Requests for a reduction in council tax must be made in writing from the taxpayer, their advocate/appointee or a recognised third party acting on their behalf. A designated application form will also be made available. The application should be supported by a full financial statement of income and outgoings and accompanied by any supporting evidence.

5.2 The application will be reviewed and considered having regard to each individual applicant's personal circumstances, the scheme guidelines, the content of the application and the evidence supplied in support of the application.

- 5.3 Awards will be made directly by way of a discount applied to the Council Tax bill

## **6 Review of Decision**

- 6.1 The Council Tax Discretionary Hardship scheme is administered in accordance with the Local Government Finance Act 1992, as amended, and as such, there is no right of appeal against the Council's use of discretionary powers. However, the Council will accept a customer's written request for a redetermination of its decision. A request for a redetermination must be made within one calendar month of the date of the letter informing the customer of the decision.
- 6.2 A redetermination will be undertaken by a [Senior] Officer, who will consider whether the Council taxpayer has provided any additional information that will justify a change to the original decision, having due regard to all the evidence considered in the original decision and any supplementary evidence supplied to support the redetermination request.
- 6.3 The applicant will then be notified of the reconsideration, which will clearly state the reasons for the decision made.