

Council Tax Reductions & Levies Policy

This policy sets out the discounts, exemptions, reliefs and levies that are available to Council Tax payers.

1. Discounts, Disregards and Exemptions

1.1. The Local Government Act 1992 defines a number of mandatory discounts, persons disregarded for Council Tax purposes and exempt properties:-

Single Person Discount

If only one adult is living in a property, a 25% discount is applied known as 'single person discount'.

Disable Banding Reduction

If someone living in a property is disabled and uses a wheelchair indoors, or requires an additional bathroom, kitchen, or a room to meet the needs of a disability, a Disabled Banding Reduction is available. If applied, the council tax bill will be based on the valuation band below that of the property.

Annexe Discount

From 1 April 2014 annexes which are used by the occupier of the main house as part of the main home, or annexes which are occupied by a relative of the person living in the main house will be entitled to a 50% reduction in the Council Tax payable on the annexe.

Persons Disregarded

People in the following groups are not counted for Council Tax purposes:

- Full time students, student nurses, apprentices and foreign language assistants
- Young people for whom child benefit is payable and 18/19 year olds who have just left school or college
- Patients resident in hospital or residential care homes
- Severely mentally impaired people
- People in certain hostels or night shelters
- Low paid care workers usually for charities
- People caring for a person with a disability who is **not** a spouse, partner or child under 18
- Members of religious communities such as monks or nuns
- People in detention (except for non-payment of council tax or a fine)
- Members of visiting forces and certain international institutions
- Foreign diplomats

Exempt Occupied Properties

Council Tax is not charged for some properties including those where:-

- All residents are students
- They are used for armed forces accommodation
- They are lived in by members of visiting forces
- All residents are under the age of 18

- All residents are severely mentally impaired
- At least one person is a foreign diplomat
- It is an annexe occupied by a dependant relative

If part of a property is self contained (granny flat or annexe) and lived in by a relative, the council tax bill will be reduced by 50%. This is applied on top of any other eligible discount.

Exempt Unoccupied Properties

Council tax will not be charged for unoccupied properties:

- Owned by a charity (allowed up to six months)
- Left empty by someone who has gone to prison or has been detained under the Mental Health Act
- Previously occupied by a person in permanent residential care
- Waiting for probate or letters of administration to be granted
- Empty because occupation is forbidden by law
- Waiting to be occupied by a minister of religion
- Left empty by someone who had moved to receive personal care by reason of old age, disablement or illness
- Left empty by someone who has moved to provide personal care to another person
- Owned by a student and last occupied by a student
- Subject to a Repossession Order
- The Responsibility of a bankrupt person's trustee
- A site for a caravan, mobile home or mooring
- Unable to let separately because it is linked to, or in the grounds of, another property

2. Locally Determined Discounts & Empty Home Levy

The Local Government Act 2003 introduced Sections 11A and 13A to the Local Government Finance Act 1992. Section 11B (council tax premium) was inserted with effect from 1 April 2013 by Section 12(2) of the Local Government Finance Act 2012.

Section 11A: prescribed dwellings:

There are four classes of dwelling in England where local authorities can vary the discount granted:

Class A (Second/Holiday Home)

For dwellings which are not the sole or main residence, are furnished, but their continuous occupation is restricted by planning regulations to less than 28 days a year.

Class B (Second/Holiday Home)

For all other dwellings which are not sole or main residence, are furnished, and their continuous occupation is not restricted by planning regulations to less than 28 days a year.

Any percentage of discount between 0% and 100% can be levied in respect of classes A and B.

The Council's current policy for holiday/second homes is to apply a 100% charge.

Class C (Empty and Unoccupied)

Class C applies to empty property which is unoccupied and unfurnished and no longer qualifies for any time limitations.

The Council's current policy is to apply a period of 100% relief awarded up to a maximum of 3 months where the property remains empty and unoccupied

Class D (Uninhabitable)

Dwellings that are unoccupied and unfurnished and:

- require or are undergoing major repair to make them habitable
- are undergoing structural alteration
- have undergone major repair work to render them habitable, if less than six months have elapsed since the date on which the alteration was substantially completed and the dwelling has continuously remained unoccupied and unfurnished since that date.

A council tax reduction of any percentage up to 100% may be applied to dwellings that fall into this class, but dwellings will only fall into this class for a maximum of 12 months.

The Council's current policy is to apply a reduction of 50% awarded up to a maximum of 12 months.

Section 11B: higher amount for long term empty dwelling – England

Long Term Empty Property Premium

Properties that have been unoccupied for more than 2 years are subject to an additional premium. Prior to April 2019, this premium was a maximum of 50% - resulting in a Council Tax charge of 150%.

From 1st April 2019 Local Government Authorities were given new powers, under the Rating (Property in Common Occupation) and Council Tax Act 2018 which came into force in November 2018, to charge an Empty Homes Premium of:

- An extra 100% Council Tax for properties empty for at least two years from 1st April 2019.
- An extra 200% Council Tax for properties empty for at least five years from 1st April 2020.
- An extra 300% Council Tax for properties empty for at least ten years from 1st April 2021.

From 1st April 2020, the Council will charge a 100% levy for properties empty over 2 years and a 200% levy for properties empty for over 5 years.

Section 13A - Other Discretionary Relief

Section 13A (1) (c) relief awards will be used in cases of unforeseen or exceptional circumstances that threaten taxpayers' abilities to fund the cost of council tax and may threaten their ability to remain in their homes.

The main features of this relief are that:

- it is discretionary;
- an applicant does not have a statutory right to a payment;
- the operation of the scheme is for the Council to determine;
- if the applicant is dissatisfied with any decision taken on a claim that they have made, they can ask for further details on the decision and make an appeal in line with this Policy.

Where a scheme relates to a Government Scheme (e.g. the case of severe flooding) the features of any discretionary discount will be as defined by Government or, where local discretion is allowed, as defined by the Council for that specific purpose.

The Council will consider applying discretionary relief if all of the following circumstances are satisfied:-

- The applicant has an outstanding council tax balance;
- There is compelling evidence of extreme financial hardship;
- No other occupants of the property could contribute towards the council tax payable;
- Enforcing the full council tax liability would result in severe hardship e.g. insufficient money being available for basic and essential needs such as housing, food, heating, lighting or essential medical needs;
- The liable person does not have access to assets or funds of any kind which could be used to meet their council tax liability;
- All alternative means of resolving the outstanding liability have been exhausted – this includes but is not limited to discounts, exemptions, council tax support, valuation office/valuation tribunal application;
- The liable person can demonstrate that they have no available income to pay their council tax;
- If the liability relates to a retrospective period the customer can demonstrate and evidence that arrears did not accrue due to their wilful refusal to pay council tax or due to their culpable neglect to pay their council tax.
- The customer can evidence that each of the criteria set out above was satisfied for the entire period for which they wish to be considered for discretionary relief.

If all of the above circumstances are satisfied the Council will consider granting relief. The Council retains ultimate discretion, in accordance with the discretionary nature of the scheme, and applications for relief will be considered on their individual merits.

Evidence

In deciding whether to make a Section 13A (1) (c) award the Council will have regard to the applicant's circumstances. In order to do this the Council will make enquiries regarding the income and expenditure of all household members.

Household members may be asked to supply reasonable supporting evidence to substantiate the answers that they give to the questions above. This may include, but is not limited to:

- income & expenditure statements;
- any sources of credit such as cash cards, credit cards, store cards, cheque cards, cheque accounts, overdraft facilities, loan arrangements;
- any help which is likely to be available to the applicant from other sources;
- any other special circumstance of which we are aware.

Evidence may be requested that is relevant to the application (e.g. evidence of illness). Where information or evidence requested has not been received within 21 days the Council will determine the application on the basis of the evidence and information in its possession. The Council may refuse to grant relief where the absence of information and evidence prevents the Council from reaching an informed decision regarding the applicant's circumstances.

The Council will make all decisions on the basis of merit; it will act fairly and reasonably, and will have regard to all the relevant circumstances.

Application Process

Applications should be made in writing (including email) to the Revenues Team under the title of Section 13A (1) (c) Relief Application. Applications may be made by the customer claiming the reduction, or a party authorised by the applicant.

Each application must set out the circumstances upon which the application is based and should include:

- The level of discount being requested (i.e. is this for the full year's council tax or part of it, such as 50%);
- The reason for the request (i.e. why is the discount wanted and how this meets our policy);
- Period of time the discount is wanted for (i.e. the full financial year, part of financial year or some other period of time);
- Steps that have been taken to meet or mitigate the council tax liability (i.e. any other discounts or reductions awarded).

The Council will endeavour to make a decision within 28 days of receiving all the information required and any discount granted whether in part or full will be authorised by the Principal Income Officer / Head of Finance.

Amount of relief

The amount of discretionary relief to be awarded will be at the Council's discretion. Any amount of relief granted will be credited to the council tax account and should not result in a positive balance on the council tax account.

Period of relief

The Council retains ultimate discretion over the period for which relief may be granted. Relief will only be granted on liability for the financial year in which the request is made or for such prior period as the Council deems appropriate. Relief will not be awarded for subsequent financial years unless a further successful request is made.

The Council retains the right to withdraw relief at any time, including for retrospective periods:

- where conditions or circumstances in which the reduction was granted change or fail to materialise
- information submitted as part of the application proves misleading
- applicant ceases to be a Council Tax payer

The customer must advise the Council of any such relevant change to their circumstances within 14 days of the change occurring.

Decision Making and appeals

Any relief granted in accordance with this policy must be determined as follows:

- Decisions for reliefs will be made within 28 days of receipt of application and all relevant information. The applicant will be notified of the decision in writing. The notification will include the decision and details of any amount of relief to be awarded and details of the period to which the award relates.
- Where the request for a Section 13A (1) (c) relief is unsuccessful or not met in full the Council will explain the reasons why the decision was made, and explain the applicant's right of appeal.
- Section 13A (1) (c) awards are administered under the Local Government Finance Act 1992. Any appeals against a decision to refuse an award or about the amount of any award made will be administered in accordance with the following process:
 - An applicant (or their representative) who wants an explanation of a Section 13A (1) (c) Relief application decision may request one in writing within one calendar month of notification of the decision;
 - An applicant (or their representative) who disagrees with a decision may appeal the decision;
 - Any appeal must be made in writing, but must be made within one calendar month of the original decision being notified to the applicant or, if requested, within one calendar month of the written reasons being notified to the applicant, whichever is the later;
 - Where possible the Council will try to resolve the matter by explaining the reasons for the decision to the applicant or their representative either verbally or in writing;
 - Where agreement cannot be reached, the Chief Executive will review the decision. The review will be suspended if more information is needed from the applicant;
 - The applicant will have one calendar month to respond to the request for further information, thereafter the review will be undertaken on the information held;

Upon receipt of a request for a review, the Executive Director (Chief Finance Officer) will review the original decision and consider whether there are grounds to change the decision.

The Council will notify a customer of the appeal decision within 20 days of receiving a request for reconsideration.

Where a Council Tax payer is aggrieved by a Council's refusal to abide by its own resolution to award discount regarding a specific class, further appeal may be made to the Valuation Tribunal.

Overpayments

If the Council becomes aware that the information contained in an application for a Section 13A (1) (c) Relief was incorrect or that relevant information was not declared, either intentionally or otherwise, the Council may seek to recover the value of any award made as a result of that application. The award will be removed from the relevant council tax account and any resulting balance will be subject to the normal methods of collection and recovery applicable to such accounts.

Fraud

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 as appropriate and this could lead to criminal proceedings.

Local Council Tax Discount for Care Leavers Scheme

Staffordshire County Council have agreed to pay the council tax for care leavers up to the age of 21. A support worker will be assigned to each care leaver who will make arrangements to pay the council tax in full.

There is currently a Staffordshire wide review of this scheme underway, which may propose to extend the discount up to the age of 25. Once agreed, the policy will be updated.

3. Policy Update

This policy will be reviewed on an annual basis, and where changes are required, those changes will be presented for formal approval

4. Local Council Tax Reduction Scheme

The Council provides a Local Council Tax Support (Reduction) (LCTS) Scheme in accordance with section 13A of the Local Government Finance Act 1992.

This policy is independent of the Council's LCTS scheme and is currently under review.