

Report of	Meeting	Date
Director of Customer and Digital (Introduced by Cabinet Member (Communities, Social Justice and Wealth Building)	Council	Wednesday, 17 May 2023

Policy Review: Council Tax Discretionary Reductions Policy

Is this report confidential?	No
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Is this decision key?	Not applicable
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Purpose of the Report

- To present the proposed revised and updated Council Tax Discretionary Reductions Policy. The proposed policy is attached at Appendix A.

Recommendations to Council

- Council approves the revised Council Tax Discretionary Reductions Policy.
- In view of the economic climate and the likely increase in applications, the financial position in respect of discretionary reductions is reviewed after 6 months.

Reasons for recommendations

- The revised policy better reflects the current financial climate and by emphasising other help available to financially vulnerable customers, allows the council to better meet the needs of residents.
- The revised policy provides a consistent and transparent approach to the consideration of applications for council tax discretionary reductions.
- The overall policy review consolidates and brings up-to-date a number of existing policies administered by Customer Services and Revenues and Benefits.
- A review of the financial position after 6 months better manages risk to the council of any increase in applications

Other options considered and rejected

8. Not to review and update the policy would risk administering an out of date policy less able to meet the needs of residents.

Corporate priorities

9. The report relates to the following corporate priorities:

An exemplary council	Thriving communities
A fair local economy that works for everyone	Good homes, green spaces, healthy places

Background to the report

10. The Local Government Finance Act 1992 (Section 13A (1) (c)) and the Local Government Act 2003 Section 76 give local authorities the discretion to reduce a part or all of the council tax liability where it is satisfied that the council tax payer is in financial need. This may apply to groups of people in the same circumstances as well as individuals.
11. From time to time, the government may introduce certain schemes under this legislation in response to specific circumstances, e.g. Council Tax Hardship Fund (Covid-19), council tax discounts for properties in designated flood areas. Any such schemes will be operated in accordance with the government guidance accompanying the scheme.
12. A policy review is underway for the Shared Services Customer Services and Revenues and Benefits services, working towards shared processes as far as possible. This will have benefits for the councils and customers ensuring consistency of service delivery, reducing duplication and helping to develop a shared and flexible workforce.
13. South Ribble's policy was last amended in 2020 to add the Council Tax Hardship Scheme (Covid-19). This policy is available at Appendix B.

Objectives

14. The purpose of the policy is to set out the guidelines and criteria which we will consider when considering requests for a reduction in council tax from residents experiencing severe financial hardship.
15. There is no statutory definition of hardship and the granting of a reduction is wholly discretionary.
16. The council will consider the interests of council tax payers and the wider impact of granting any reduction.
17. The revised policy achieves four things:
 - a. Updates and simplifies the policy by removing historical information.
 - b. Updates the language in the policy document to be more accessible and consistent with that in the newly adopted Fair Collection Charter and DHP Policy.
 - c. Includes information about where other financial help and advice can be accessed.

- d. Clarifies the review and appeals procedure.

Notable changes to the policy

18. The notable changes to the policy are summarised in the table below:

a	Title	Section 13A(1)(c) Policy retitled Council Tax Discretionary Reductions Policy
b	Introduction	Included the other help and support which the council can offer to assist residents facing financial hardship, including the Social Prescribing team and the Fair Collection Charter
c	Throughout	Streamlined references to legislation and council funding arrangements
d	Background	Replaced specific references to Flood Recovery Framework and Council Tax Hardship Fund (Covid-19) with reference to other schemes and other government funding that may be made available from time to time
e	Considerations	Firmed up eligibility criteria and renamed 'considerations' Included when a reduction will not be granted
f	Review of decision	Included when a request for a review can be made, namely where additional relevant information or information was not interpreted correctly
g	Applications	Removed considered by S151 officer Added considered by the Head of Customer Services and the Director (Customer and Digital) Shared Services Added review by S151 Officer
h	Free independent help	Included the other help and support available

Current position

19. Applications for hardship reductions are historically low in numbers and reductions are rarely awarded. Although this year has seen an increase in enquiries, doubtless as a result of the current economic situation.

20. Only one hardship reduction was awarded in 2022-23 by South Ribble:

	Amount awarded	Financial years
South Ribble	£109.65	2020-2021

21. Valuation Tribunal decisions indicate that appeals in relation to hardship reduction decisions are infrequent. Since February 2017, of 167 council tax liability appeal decisions, 4 were allowed in respect of Section 13a discretionary hardship reductions.

Benefits

22. The revised policy will:

- a) Ensure the policy is relevant and up to date and meets the current needs of residents

- b) Make the policy more accessible to residents
- c) Help with shared decision making across the councils
- d) Provide the increased resilience of sharing key processes

Funding

- 23. The cost of granting a discretionary reduction in cases of financial hardship is met 100% by the council.
- 24. There is no current budget provision for discretionary council tax reductions and the level of awards has been minimal.
- 25. Other discretionary schemes introduced under Section 13A(1)(c) legislation have had central government funding.

Climate change and air quality

- 26. The work noted in this report does not impact the climate change and sustainability targets of the Councils Green Agenda and all environmental considerations are in place.

Equality and diversity

- 27. The impact assessment indicated that there would be positive implications for residents vulnerable due to financial issues. There are no negative implications.

Risk

- 28. The risk of having no budget provision has been historically low. However, the current economic climate has seen an increase in applications.
- 29. Including in the policy a limit up to which the councils would fund discretionary reductions would potentially fetter the councils' discretion. Fettered discretion is part of common law, an authority may not improperly fetter its undertaking, and may not be stopped by its conduct from exercising its powers.

Comments of the Statutory Finance Officer

- 30. As detailed in this report at point 19, the level of hardship reductions has been historically low, and therefore has not been budgeted for within the Council. Other discretionary schemes have generally come with associated funding which has been utilised. It seems appropriate to review the position after six months to see if these changes have had a financial impact.

Comments of the Monitoring Officer

- 31. There are statutory powers to enable us to do what is proposed here. There are no concerns from a Monitoring Officer perspective. It is wise though to review the situation after 6 months.

Background documents

There are no background papers to this report.

Appendices

Appendix A: Proposed Council Tax Discretionary Reductions Policy

Appendix B: Current Section 13A(1)(c) Policy

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This decision will come into force and may be implemented five working days after its publication date, subject to being called in in accordance with the Council's Constitution.