

## **Council Tax Discretionary Reductions Policy**

### **Introduction**

We want to do everything we can to support our residents when they find themselves in financial hardship.

The Council Tax Discretionary Reductions Policy sets out how the council will consider awarding a discretionary reduction in respect of council tax liability. This policy will help us to be consistent when making our decisions.

The council's Fair Collection Charter outlines how we will help and support people in paying their bills.

Our social prescribing team can also offer support and advice about managing finances and other areas of health and wellbeing.

### **Background**

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 would suffer financial hardship if it did not do so. This may apply to groups of people in the same circumstances as well as individuals.

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.

### **Purpose**

**The purpose of the Council Tax Discretionary Reductions 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.**

This policy helps the council to be fair and consistent in its approach and flexible enough to consider individual circumstances.

### **General Principles**

There is no statutory definition of hardship and the granting of a reduction is wholly discretionary and a final course of action after all others have been considered.

We will consider the interests of council tax payers and the wider impact of granting any reduction.

### **Considerations**

There must be clear evidence of exceptional hardship or exceptional personal circumstances that shows you are unable to pay your council tax in part or in full.

All other welfare benefits, reductions, discounts, exemptions, discretionary payments and valuation office appeals must have been considered.

You must not have capital or assets that could be used to pay your council tax.

You need to show you have taken all reasonable steps to resolve your situation, this includes engaging with the council's social prescribing team and taking up other help and support available.

The amount of council tax outstanding must be the result of circumstances outside your control and not of your refusal to pay or due to prioritising non-priority debts.

There must be evidence that you are unable to pay your bill because of the current impact of the wider cost of living crisis and not due to historical reasons or non-payment.

We will carefully consider all the information you supply to decide whether there is evidence of financial hardship.

### **Applications**

Requests for hardship reductions must be made in writing by the council tax payer or someone acting on their behalf.

Your request must set out the exceptional circumstances which have led to the application for a reduction.

Clear evidence of hardship during the period a reduction is being requested for will be needed including written details of your financial circumstances, income and outgoings. We may request additional information if we think it is necessary to assess the application.

Your council tax is still due to be paid whilst we consider your application and recovery action may continue if payments are not made as required.

We will aim to make a decision within 21 days of the request and all the supporting information being received.

The application will be considered by the Head of Customer Services and the Director (Customer and Digital) Shared Services.

### **Period of award**

The period of an award will be considered on case by case basis. This will normally be for a short, fixed period depending on the nature of the hardship and how long it is likely to last.

Awards will stop at the end of the financial year or earlier.

### **Changes of circumstances**

You must tell us about changes in your circumstances that could affect any reduction granted including a change of address or of financial circumstances.

### **Review of decision**

You can ask for a review of the decision where:

- There is additional relevant information which was not available at the time of the original decision, or
- There is good reason to believe the application or supporting information was not interpreted correctly when the original decision was made

You should make the request for a review in writing within four weeks of our original decision and give the reasons why you are asking for the review.

Reviews will be considered by the council's Chief Financial Officer. We will let you know the outcome within two months.

If you are still unhappy with the decision you can appeal to the independent Valuation Tribunal Service. You must do this within two months of the council's decision. Details of how to apply can be found at [Appeal Guidance Booklets - Valuation Tribunal Service](#)

### **Fraudulent applications**

If a reduction is granted as a result of false or fraudulent information, we may withdraw the award and consider prosecuting the applicant.

### **Free independent help**

For free debt and money advice contact:

a. Citizens Advice Lancashire

Chorley office	South Ribble office
35-39 Market Street Chorley Lancashire PR7 2SW	Civic Centre West Paddock Leyland PR25 1DH

Telephone: 0344 245 1294

Website: [www.citizensadvicelancashirewest.org.uk](http://www.citizensadvicelancashirewest.org.uk)

b. StepChange

Telephone: 0800 138 1111

Website: [www.stepchange.org/contact-us.aspx](http://www.stepchange.org/contact-us.aspx)

c. National Debt Line

Telephone: 0808 808 4000

Website: [www.nationaldebtline.org/](http://www.nationaldebtline.org/)

d. Business Debt Line

Telephone: 0800 197 6026

Website: [www.businessdebtline.org/](http://www.businessdebtline.org/)