

Council Tax Discretionary Hardship Policy



COUNCIL TAX DISCRETIONARY HARDSHIP POLICY

1. INTRODUCTION

This policy sets out the council's approach to the awarding of discretionary hardship relief in respect of council tax liability. It has been revised during a review of other policies relating to reliefs and discretionary payments to ensure consistency in the decision making process.

2. 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 hardship if it did not do so.

This policy has been agreed by the council's Executive Cabinet and will be reviewed on an annual basis as required in response to changes in legislation or the corporate priorities of the council.

3. PURPOSE

The purpose of the Council Tax Discretionary Hardship Policy is to set out the guidelines and criteria which the council will consider when assessing applications for relief from paying council tax from customers experiencing severe financial hardship.

This policy enables the council to show that it is fair and consistent in its approach and sufficiently flexible to consider individual circumstances.

4. GENERAL PRINCIPLES

There is no statutory definition of hardship and the granting of relief is wholly discretionary. Each case will be considered on its own merits and the granting of relief will only be considered in the most exceptional cases. The council will consider the interests of council taxpayers and the impact of granting relief if it was to go against the authority's wider objectives for the local area.

The legislation allows the council to grant relief on a case by case basis or to specify a class of case. A class of case is where several people who pay council tax fall into a group because their circumstances are similar.

5. ELIGIBILITY

To be eligible for relief, the council tax payer must fulfil each of the following criteria:

- a. The tax payer is able to satisfy the council that they are not able to meet their full council tax liability or part of their liability.
- b. The tax payer is able to demonstrate that all reasonable steps have been taken to meet their full council tax liability prior to their application
- c. The tax payer can prove that the current circumstances are unlikely to improve in the following twelve months making payment of the council tax impossible
- d. There must be evidence of exceptional hardship or exceptional personal circumstances that justifies a reduction in council tax liability
- e. The tax payer has no assets that could be realised and used to pay council tax
- f. All other reliefs, discounts, exemptions, discretionary payments and valuation office appeals have been considered.

Relief will not be granted:

- a. Where the amount outstanding is as a result of wilful refusal or culpable neglect
- b. To prevent recovery action by the council or to stop bankruptcy or committal proceedings by the council or any other body
- c. Where there is insufficient evidence for an informed decision to be made.

6. APPLICATIONS

Requests for hardship relief must be made in writing by the council tax payer, their appointee or a recognised third party acting on their behalf. The request must set out the exceptional circumstances which have led to the application for relief. Relevant evidence of hardship will be required including details of the applicant's financial circumstances. The council may request any other information it considers necessary to assess the application. No costs will be borne by the council in the provision of this evidence.

The council tax will remain due to be paid whilst an application is pending and recovery action may continue if payments are not made as required.

The application will be considered by the council's Chief Financial Officer.

7. REVIEW OF DECISION

A council tax payer can ask for a review of the decision where:

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

A request for a review must be made in writing within four weeks of the original decision and give the reasons why a review is being requested. Reviews will be considered by the council's Chief Financial Officer.

8. PERIOD OF AWARD

Hardship relief will normally be awarded for a short, fixed period depending on the nature and likely duration of the hardship. All awards shall cease at the end of the financial year if not ceased at an earlier date. The period of an award will be considered on case by case basis.

9. FUNDING

The cost of granting hardship relief is met 100% by the council.