

**CHILTERN DISTRICT COUNCIL  
CABINET – 1 July 2014**

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*Background Papers, if any, are specified at the end of the Report*

**DISCRETIONARY COUNCIL TAX SUPPORT POLICY**

*Contact Officer: Nicola Ellis 01494 732231*

**RECOMMENDATIONS**

- 1. The Cabinet approves the following recommendations to change the current policy to grant Discretionary Council Tax Support under section 13A of LGFA 1992, as amended by section 10 of the Local Government Finance Act 2012 in the following circumstances:**
  - **Up to 100% relief granted where the claimant and any partner or child would suffer severe financial hardship if a payment was not made in respect of their Council Tax liability; and**
  - **Where the application for Discretionary Council Tax Support is in respect of the home they occupy and are liable for the payment of Council Tax in respect of that property, and**
  - **They have applied for Local Council Tax Support and a decision has been made.**
- 2. The Cabinet delegates the administration of the scheme to the Revenues and Benefits Service in line with the process detailed in the approved policy.**

**Relationship to Council Objectives**

Safe, healthy and cohesive communities

*Awarding the Discretionary Support will enable the Council to support the community that has been affected by the changes to the welfare state by relieving financial hardship and avoid incurring costly recovery action against the most vulnerable in the community.*

Conserve the environment and promote sustainability

**Implications**

***Financial Implications***

*The existing changes to the scheme resulted in a saving which can in turn be allocated to the Discretionary Fund.*

***Risk Implications***

*None*

### ***Equalities Implications***

*None*

### ***Sustainability Implications***

*None*

### **Background**

1. On 14<sup>th</sup> January 2014, Cabinet approved the adoption of the Council Tax Reduction scheme for the financial year 2014/2015.
2. Members agreed to provide additional support in the form of a £50,000 Discretionary fund for those residents who are unable to meet the Council Tax payments from their existing incomes and approved the current policy.
3. We have received applications from customers who have been negatively affected by a number of the elements of the new scheme which has resulted in a nil entitlement. For example one customer is in a high band property and was receiving child maintenance. Since the introduction of the new scheme her entitlement has reduced to zero following the application of the band D restriction, the 80% maximum entitlement and taking into account the full amount of child maintenance. This has resulted in the customer having a large bill to pay and as she does not have the means to do so it is unlikely that this will be collected.
4. In such cases a discretionary award may be appropriate to allow time for the customer to reassess their financial situation in the light of this increased liability. In the case mentioned above the customer is considering selling her property to release additional funds and to decrease outgoings and so it may be appropriate for us to consider an award for a period for 6 months to allow her to do so.
5. However the current policy agreed by Cabinet states that a discretionary award can only be paid where there is a current entitlement to Council Tax Support. It is therefore necessary to make an amendment to the current policy to better meet the needs of all Council Tax Payers of Chiltern.
6. The purpose of this report is to enable Cabinet to approve the amended criteria and to delegate authority to Head of Customer Services to administer the discretionary fund where that amended criteria is met.

## **Council Tax Support**

7. In 2012, Government announced the abolition of Council Tax Benefit and replaced it with locally decided Council Tax Reduction schemes. Simultaneously, the Government cut its financial support to local authorities by 10%, which meant Chiltern received £435,000 less in 2013/14 to fund the council tax reduction scheme.
8. After agreeing to fund this shortfall in 2013/14, it was decided to alter the scheme for the following and future financial years after carrying out consultation exercises and reflecting on the experiences of other local authorities who created their own local schemes in that first year.
9. All Pensioners are protected from any changes decided at a local level. However, from April 2014, working age residents in Chiltern District Council are restricted to a maximum of 80% discount depending on their circumstances, based on a Band D property.
10. The main features of the discretionary scheme as agreed by Cabinet in January and full Council in February are:
  - a. The scheme is purely discretionary; a claimant does not have a statutory right to receive a discretionary award;
  - b. The amount that can be paid out in any financial year is cash limited;
  - c. The administration of the scheme is for the Revenues and Benefits Service to determine;
  - d. Payments of Discretionary Local Council Tax Support are not payments of Local Council Tax Support.
  - e. Discretionary awards can only meet the daily council tax liability after all other discounts, exemptions, reductions and any Local Council Tax Support.

## **Amendments to Discretionary Council Tax Support Policy**

11. Chiltern District Council has a policy in respect of awards of Discretionary Council Tax Support. An amended policy is included in the **Appendix**.
12. The amendments to the current policy are:
  - a. The following paragraph has been inserted in to the purpose of the section detailing the purpose of the scheme. This enables awards of up to 100% to be made so that there does not have to be an entitlement to Council Tax Support. However it does ensure that a claim does have to have been made and determined:

‘This protocol enables the Revenues and Benefits Service to:

- Award up to 100% relief where the claimant and any partner or child would suffer severe financial hardship if a payment was not made in respect of their council tax liability; and
- An application for Discretionary Council Tax Support has been made in respect of the home they occupy and are liable to pay the council tax on; and
- They have applied for Local Council Tax Support and a decision in relation to that application has been made.’

b. The following bullet point has been removed from section 2.5:

- ‘Discretionary Awards can only be considered for a period where a Council Tax Reduction is payable’.

13. Cabinet are also asked to note that the scheme has previously been referred to as the Discretionary Council Tax Reduction Scheme. This has proved to be confusing to customers and so, in line with neighbouring authorities, the policy now refers to the Discretionary Council Tax Support Scheme.

### **Summary**

14. Cabinet are asked to approve the amended policy included as an **Appendix** and to delegate the administration of the scheme to the Revenues and Benefits Service in line with the process detailed in the policy.