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**Council Tax Discretionary Hardship Scheme**

1. Background

Section 13A(1)(c) of the Local Government Finance Act 1992 empowers a billing local authority as follows:

1. Where a person is liable to pay Council Tax in respect of any chargeable dwelling and any day, the billing authority for the area in which the dwelling is situated may reduce the amount which he is liable to pay as respects the dwelling and the day to such extent as it thinks fit.
2. The power under subsection 1) above includes power to reduce an amount to nil.
3. The power under subsection 1) may be exercised in relation to particular cases or by determining a class of case in which liability is to be reduced to an extent provided by the determination.

Horsham District Council operates a Discretionary Hardship Scheme under S13A(1)(c).

1. Determining an application

When determining an application, consideration will be made to:

* Any application should be one of last resort and any entitlement to council tax support, discounts or exemptions must have been explored prior to an application being made
* Whether advice about a debt relief order or involuntary arrangement has been sought
* There must be evidence of hardship or personal circumstance that justifies a reduction in Council Tax Liability
* Applications will only be granted in exceptional or unforeseen circumstances that threaten a taxpayer’s ability to discharge their liability for council tax and may threaten their ability to stay in their home. For example, but not limited to; a flood or fire which means you are unable to live in the property or where a council taxpayer faces sudden financial hardship they could not have expected.
* The Council Taxpayer must not have access to assets, any equity on owned property, excess income or savings that could be realised and used to pay Council Tax
* If the Council Tax account is in arrears, the Council must be satisfied that non-payment was not due to wilful refusal or culpable neglect to pay the Tax.
* The payment record history of the Council Taxpayer
* Relief will only be applicable to the council taxpayer’s primary home, The Council will consider applications on both occupied and unoccupied properties as long as the property that is applying for the relief is the taxpayer’s main home. For example, a taxpayer’s main home has been subject to fire or flood, and they have had to move to a temporary residence. We will not accept applications for relief on second homes or properties that are let out to tenants.
* There is a financial implication to awarding discounts under S13A, as the Council must fund the cost of all awards from its own resources. Therefore, awards must meet the underlying principle of offering value for money to council taxpayers within the District.
* In the case of an empty property premium charge, you must also be able to demonstrate you have exhausted all reasonable steps to either re-occupy the property or market the property for sale or rent.

1. Awarding Discretionary Hardship relief

In deciding whether to make an award under Section 13A , we will have regard to the applicant’s circumstances. In order to do this, each applicant may be asked to supply reasonable supporting evidence. This may include, but is not limited to:

* Income & expenditure statements, including details of any savings or capital
* Bank statements
* Utility and household bills
* Medical evidence if relevant
* Sources of credit such as credit cards, loan arrangements and overdraft facilities.
* In addition to the above in the case of a council tax premium charge - evidence that shows you are actively marketing the property for sale or rent and/or evidence as to why the property cannot be re-occupied

1. Amount of relief

The amount of relief to be awarded will be at the Council’s discretion and will take into consideration the amount of debt and the extent to which the guidelines are met.

In the case of a council tax premium charge the amount of relief will be capped at the amount of the premium charge applicable. This would in effect remove the premium charge for a set amount of time leaving 100% charge payable and will be reviewed on an ongoing basis.

1. Award period

The relief will only be granted to a maximum of the end of the tax period to which it is claimed and will not automatically continue to reduce a future year’s liability. The relief is intended as short-term assistance only and should not be considered a way of reducing the council tax long term.

All awards will be made by crediting the award value to the council tax account to which it applies. If this credit results in a refund being due, the Council will consider these in the usual manner.

1. How to claim Discretionary Hardship relief

Application forms will be provided to customers, upon request.

Where information or evidence requested has not been received within one calendar month, the Council will determine the application on the basis of the evidence and information on its possession. The Council may refuse to award discount where lack of this information and evidence does not enable the Council to reach an informed decision regarding the applicant’s circumstances.

1. Premium charges for long term empty properties and second homes

As the premium charge is applied to empty properties or properties which are not a person’s primary home, these will not usually be considered under the Hardship scheme. The council will however consider applications from customers in relation to the premium charge in the following circumstances:

* where the liable party will suffer from financial hardship resulting from the premium charge
* where the liable party has exhausted all reasonable steps in order to re-occupy the property or market the property for sale or rent

A full application under the Discretionary Hardship scheme will need to be submitted with the applicable evidence provided.

1. Review process

Discretionary Hardship awards are administered under s13A of the Local Government Finance Act 1992 and are subject to a statutory appeals process. However, in the first instance, the Council will accept a taxpayer’s request for a reconsideration of a decision where the Council has not awarded a discretionary relief or where the taxpayer feels the award should be increased.

Requests for reconsideration should be:

* Made in writing to the Horsham District Council’s Council Tax department, [hdc\_revenues@milton-keynes.gov.uk](mailto:hdc_revenues@milton-keynes.gov.uk)
* Received within 21 days of receipt of the initial decision for the discretionary relief
* Include full reasons for the reconsideration request.

Upon receipt of a request for reconsideration, the Council will consider whether the customer has provided any additional information against the criteria to justify a change in decision.

If after receiving a reconsideration decision, a customer still disputes the decision, they can appeal to the [Valuation Tribunal](https://valuationtribunal.gov.uk/council-tax-appeals/).

1. Overpayments

If the Council becomes aware that the information contained in an application for a Discretionary Hardship award 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. Where this is the case, 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 amounts.

1. Fraud

The Council is committed to the fight against fraud in all its forms. Any applicant who tries to fraudulently claim a Discretionary Hardship award 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 result in criminal proceedings.

1. Equalities statement

Horsham District Council is committed to equality and fairness. Equality is about ensuring that people are treated fairly, given fair chances and to ensure equality of opportunity for all within the district; especially equality of access to the services we provide across different members of our communities. It is also about ensuring that people receive fair outcomes in the standard of service they receive from the Council. This incorporates everyone, regardless of their race, gender, age religion or belief, sexual orientation, marital or civil partnership status and/or disability in line with the principles set out in the Equalities Act 2010.

Document History

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| Version | Date | Amended by | Amendments |
| V1 | Nov25 | D Collins | To include premiums |
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