

Annex C



**Council Tax**  
**Discretionary Reduction**  
**Scheme**  
**including**  
**Guidance for Decision Makers**

## **PART 1**

### **Who can apply for a discretionary reduction?**

The discretionary reduction scheme is available to anyone with a liability to pay Council Tax to City of York Council.

This can include:

- A resident freeholder
- A resident leaseholder
- A resident statutory or secure tenant
- A resident licensee
- A resident
- The owner (where the dwelling has no residents)

### **When will a discretionary reduction be applied?**

Any remaining Council Tax liability after all other applicable reductions have been applied may attract a discretionary reduction. Applicable reductions include:

- Council Tax support
- Council Tax statutory exemptions
- Council Tax discounts
- Council Tax reductions for disabilities

### **Which charges may not attract a discretionary reduction?**

A discretionary reduction may not be awarded for costs added to a Council Tax account in addition to the annual liability i.e.

- Court costs
- Recovery costs applied to an account (for example the cost for a summons and costs charged by Enforcement Agents)
- Penalty charges levied on an account as a consequence of a tax payer either failing to disclose information or making a false statement

### **Authority for scheme**

The Director or Customer & Business Support Services (CFO) has delegated authority to make discretionary reductions of up to 100% of the council tax charge.

## **PART 2**

### **Classes of person or property who may be awarded a discretionary reduction**

Where the Council sees fit it may make reductions available under a specific scheme to entire classes of cases with common criteria where the Council considers there to be, in general, a financial need.

For example, where a number of tax payers have been impacted by a specific natural disaster such as flooding, the Council may set up a class to award a discount to all properties affected.

### **Application process under Part 2**

The Council will endeavour to award these reductions on a pro-active basis, without the need for an application, once satisfied that any specified criteria for a reduction has been met. This does not prevent individual tax payers from applying to the Council for such a reduction.

An individual applying for a reduction under part 2 must -

- Be the person(s) liable for payment of the council tax (or their nominee)
- Complete and submit an application form (available at [www.york.gov.uk](http://www.york.gov.uk))
- Provide the Council with such information as it may require to make an informed decision. Typical information required will be a household income and expenditure statement, utility bills and the like. The Council may ask for additional information and/or evidence if it is deemed necessary
- Inform the Council of any changes of circumstance relevant to their application or any subsequent reduction awarded
- Continue to make payments to their council tax account until they receive a decision on their discretionary reduction application.

### **Amount and period of class reduction**

Reductions under this part of the scheme will be awarded from the date that the tax payer met the qualifying criteria. For example, the date their property was flooded.

The amount of reduction is at the discretion of the Council with the maximum award being 100% of the tax payer's liability. The period of award is also at the discretion of the Council but will usually only be until the effects of a specific natural disaster have ended.

### **Decision Making**

All applications received from tax payers impacted by specific natural disasters should be referred through to the Corporate Income Manager in the Council Tax

Billing and Collection Department who will usually determine and award discretionary reductions.

All applications received from tax payers not impacted by specific natural disasters should be referred through to the Housing Benefits Service.

### **Decision notification**

When a decision has been made, the applicant will be notified in writing of the outcome of their application. The decision will include a full statement outlining the reasons for the decision, and what factors have been taken into account when making the decision.

### **Reconsideration of the discretionary reduction decision**

In the first instance, if applicants disagree with a decision they may request that their application is reconsidered. Any request for reconsideration must be made within one calendar month of the original decision letter being issued. All applications for reconsideration must be made in writing or via email and must outline the reasons the applicant is disputing the decision.

The reconsideration application will then be considered by the Head of Financial Procedures (the senior officer) who has unfettered discretion to affirm or rescind the original decision or part thereof. This reconsidered decision by this more senior officer will be final. The applicant will be notified in writing of the outcome of the reconsideration and the reasons for the decision.

### **Appeal against the Council's decision to the Valuation Tribunal**

If, after receiving the reconsideration decision from the Council, an applicant still disputes the decision, they can appeal to a Valuation Tribunal.

The Valuation Tribunal for England is an independent body which adjudicates on disputes between taxpayers and the Council.

Appeals must be made directly to the Valuation Tribunal.

### **Decision Recording**

A record will be kept of all decisions made, along with a separate record of those signed off by the Director of Customer & Business Support Service (CFO) .

## PART 3

### Individuals who may be awarded a discretionary reduction

Applications for a discretionary reduction will be accepted from the person(s) liable for council tax where they either do not meet the criteria in Part 2 for a class specific reduction or have not been affected by a specific natural disaster or who still have an outstanding liability after receiving a class specific reduction.

### Application process under part 3

An individual applying for a reduction under Part 3 must:

- Be the person(s) liable for payment of the council tax (or their nominee)
- Complete and submit an application form (available at [www.york.gov.uk](http://www.york.gov.uk))
- Provide the Council with such information as it may require to make an informed decision. Typical information required will be a household income and expenditure statement, utility bills and the like. The Council may ask for additional information and/or evidence if it is deemed necessary
- Inform the Council of any changes of circumstance relevant to their application or any subsequent reduction awarded
- Continue to make payments to their council tax account until they receive a decision on their discretionary reduction application.

### Qualifying criteria

The discretionary reduction scheme is available to those identified at Part 1 with a liability to pay Council Tax to City of York Council.

When making a decision on applications to the scheme under part 3, the Council will consider the applicant's circumstances which will include –

- Whether the inability to meet the council tax liability could be alleviated in another manner, such as the award of a statutory discount, class reduction under part 2 of this scheme, alternative payment arrangements or by pursuing other avenues of financial assistance
- The personal circumstances of the applicant, their partner and other members of the household
- The income and expenditure of the applicant, their partner and household members.
- All financial circumstances of the household, for instance, any savings or capital which could be used to finance the council tax liability
- Whether the applicant's expenditure includes avoidable expenses which, in some circumstances, may be considered luxuries or lifestyle choices, or that could be reduced to enable the applicant to pay their Council Tax
- For tax payers with a joint liability, the circumstances and financial standing of other liable parties and their households.

This list is not exhaustive and all other relevant factors and circumstances will be considered during the decision making process. That is, all decisions will be assessed on the particular merits of the application.

The general starting point for considering an award will be an income and expenditure calculation but this may not always be appropriate. In order to ensure that decisions are reasonable and proportionate, it may be more appropriate to consider the applicants personal circumstances first and consider why they have requested a discretionary reduction.

### **Decision Making**

All applications received from tax payers not impacted by specific natural disasters should be referred through to the Housing Benefit Team.

They will assess all claims on their own merits, in an open and consistent manner. The general starting point will be an income and expenditure calculation, although all other circumstances will be considered.

A report will be written detailing all the information that has been considered in the decision making process.

### **Decision notification**

When a decision has been made, the applicant will be notified in writing of the outcome of their application. The decision will include a full statement outlining the reasons for the decision and what factors have been taken into account when making the decision.

### **Reconsideration of the discretionary reduction decision**

In the first instance, if applicants disagree with a decision they may request that their application is reconsidered. Any request for reconsideration must be made within one calendar month of the original decision letter being issued. All applications for reconsideration must be made in writing or via email and must outline the reasons the applicant is disputing the decision.

The reconsideration application will then be considered by the Head of Financial Procedures (the senior officer) who has unfettered discretion to affirm or rescind the original decision or part thereof. This decision by this more senior officer will be final. The applicant will be notified in writing of the outcome of the reconsideration and the reasons for the decision.

## **Appeal against the Council's decision to the Valuation Tribunal**

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The Valuation Tribunal for England is an independent body which adjudicates on disputes between taxpayers and the Council.

Appeals must be made directly to the Valuation Tribunal.

## **Decision Recording**

A record will be kept of all decisions made, along with a separate record of those signed off by the Director of Customer and Business Support Services.

## **PART 4**

### **Amount and period of reduction applied for under Part 3**

The amount of reduction awarded is at the discretion of the Council with the maximum award being 100% of the tax payer's net liability after exemptions, discounts, reductions and support have been applied.

It may be appropriate to award a reduction for a short period of time if an applicant is suffering a short term, temporary financial issue or it may be that the whole annual net liability is awarded to allow the applicant time to improve their circumstances.

All the applicants' personal circumstances, not just financial, will be taken into account when considering the period of the reduction and the amount awarded. The decision maker will also consider the consequences of not making an award.

### **Start date of reduction applied for under Part 3**

Awards under the discretionary reduction scheme will usually start from the date the Council receives the application form but, after taking all circumstances into account, the award may be backdated to an earlier date if considered appropriate. For instance, if an applicant could not make a claim immediately due to physical or mental ill health or due to other circumstances beyond their control.

The decision maker will consider the applicants circumstances objectively and award the reduction from an earlier date than the application was received if appropriate.

### **Referrals to the Citizens Advice Bureau (CAB)**

When an application has been considered and a decision made, it may be appropriate to signpost the applicant or refer them directly to the CAB. Especially if the decision maker considers that they may benefit from budgeting advice.

### **Subsequent further applications under Part 3**

Applicants may make further applications for a discretionary reduction under this scheme once their award has expired or if their circumstances change and their previous application was refused.

A reduction under this discretionary scheme does not necessarily mean that a further award will be made at a later date. There is no limit to the number of applications that can be made.

The Council may be less likely to make a second or further award if the applicant is unable to demonstrate that they have attempted to improve their circumstances. But in any event, all factors as outlined in the application will be taken into account.

## **PART 5**

### **Overpaid discretionary reductions**

Where a reduction has been given and this is later found to be too high, this will generally be recovered from the applicant's Council Tax account, thus increasing the amount of Council tax that is due and payable.

The reduction given may have been too high because of:

- Administrative error by the Council.
- As a result of false, inaccurate, incomplete or misleading information provided to the Council by the applicant or by another person on the applicant's behalf or at their request.