

Southwark Council Tax Section 13A (1)(c) Policy – 2020/21

Southwark Council Tax – Discretionary Relief

1. Background

Section 13A(1)(c) of the Local Government Finance Act 1992 allows the Council to reduce the amount of council tax payable. It can be used for individual cases or the council may determine classes of case in which liability is to be reduced.

From April 2015 foster carers became a new class of case in this policy where a liability could be reduced subject to the defined eligibility criteria being met and receipt of a properly completed application. From April 2018 the policy was extended to include care leavers aged between 18 and 24 years old as a new class of case subject to a reduction in liability.

In response to the COVID-19 pandemic two new classes have been introduced to support those on low incomes and receiving Council Tax Reduction.

However, the Council will also continue to consider any and all other claims for relief in individual cases.

2. How to claim a discretionary reduction

- The application should relate to the current council tax year, unless the liable person has just received an account following late valuation for a previous year(s).
- It must be made in writing by the taxpayer or by someone authorised to act on their behalf to the principal council tax office and titled “Section 13A Application”
- The Council may request any reasonable evidence in support of an application. Separate claims must be made in respect of different dwellings and/or council tax accounts.

3. Discretionary Relief Policy

Southwark Council will treat all applications on their individual merits. However some or all of the following criteria should be met for each case:

- There must be evidence of financial hardship or personal circumstances that justifies a reduction in council tax liability. Where an application is made in respect of financial hardship, evidence of all income and expenditure will be required to enable a full assessment to be undertaken
- The taxpayer must satisfy the Council that all reasonable steps have been taken to resolve their situation prior to application
- All other eligible discounts/reliefs/benefits have been awarded
- The taxpayer does not have access to other assets that could be used to pay council tax
- Can the situation be resolved by some other legitimate means, such as the complaints procedure? If it can it is unlikely that an award will be made
- The situation and reason for the application must be outside of the taxpayer's control
- The amount outstanding must not be the result of wilful refusal to pay or culpable neglect

- The power to reduce under this section will be considered taking account of all circumstances and any reduction will take into consideration the borough's council tax payers

4. Classes of reduction

4.1 Foster carers

Since 1 April 2015 discretionary relief has, upon application, been awarded to eligible foster carers who live in Southwark. Those eligible are foster carers who are actively fostering, or will be actively available to foster, one or more young persons, in that financial year, under an arrangement with the Council. This does not include fostering for adoption, friends and family, family link and respite carers.

The council tax relief will continue to be available for this class from 1 April 2020 to 31 March 2021. Carers living in Southwark who already have a child or children placed with them may apply from 1 April 2020 and relief will be granted from that date. Carers without a child currently in placement are eligible to apply for council tax relief seven days after their next placement has commenced.

Once council tax relief has been granted carers should ensure they remain available to foster even if a placement comes to an end. This will be kept under review by the supervising social worker. Where awarded, the relief will remain in force until 31 March 2021 or, if earlier, the date from which the foster carer's name is removed from the Council's foster carers register, or in the view of the council's fostering service, the date from which the foster carer is no longer available to foster children.

An application for relief should be made by eligible foster carers, using the form on the Council website, within three months of the date from which their eligibility for relief commences. Eligible claims for relief made outside the three month period will be treated as effective from the date a properly completed application is received by the Council.

4.2 Care leavers

Since 1 April 2018 a discretionary relief may be awarded to Southwark care leavers aged between 18 and 24 years old who are liable for council tax in the borough. To be eligible the care leaver must be liable for council tax and have previously been in the care of Southwark Council. Southwark care leavers resident outside of the borough, or care leavers resident in Southwark who have left another authority's care, are not eligible.

The amount of relief is applied after all other discounts have been awarded and there is an amount to pay. If a care leaver is already in receipt of an exemption no relief is awarded. However, should that exemption end the care leaver would then be entitled to care leaver relief if they remain liable for council tax.

The relief will be awarded up until the 31 March 2021 or on the care leaver's 25th birthday, whichever is earliest.

Eligible care leavers are identified by the Council and relief is awarded automatically with no application needed. However, any care leaver who believes they qualify but have not received any relief should contact the council tax team.

Section 13A(1)(c) of the Local Government Finance Act 1992 allows the Council to reduce the amount payable, but not to amend who is named on the bill. The relief is applied to the whole council tax account and as a result relief would still be applied where a care leaver and a non care leaver are jointly liable for the council tax bill.

4.3 Working age residents impacted by COVID-19 (coronavirus)

The council recognises the impact that COVID-19 is having on household incomes. As a result the council has set aside a budget of at least £2m to help lowest income households who are struggling to make council tax payments due this year as a result of the COVID-19 pandemic.

To be eligible you must be in receipt of Council Tax Reduction (CTR) for all, or part of, the 2020 financial year, and be of working age. The relief will be applied after all other discounts, including CTR, has been awarded and there is an amount left to pay. The level of award is dependant on a person's individual circumstances and the level of council tax due.

The relief will be awarded from the first day of entitlement to CTR within the 2020 financial year and ends on the 31 March 2021.

Section 13A(1)(c) of the Local Government Finance Act 1992 allows the Council to reduce the amount payable, but not to amend who is named on the bill. The relief is applied to the whole council tax account and is not proportioned based on the number of liable persons. As a result relief would still be applied to the whole account where a person who has claimed CTR is jointly liable with a person who has not claimed.

The levels of awards will be dependant on the allocated budget and personal circumstances. Awards will be reviewed throughout the year and if additional funding becomes available as a result of changes to liability additional awards may be considered.

4.4 Council Tax Reduction recipients with a Working Tax Credit award

This class of persons can receive further relief if they are in receipt of CTR and have an award of Working Tax Credit (WTC).

On the 27th March 2020 the Government announced that the disregard from income where a person is entitled to WTC, or works for a specified minimum number of hours per week, is increased from £17.10 to £37.10 per week. Under Southwark Council's CTR scheme for 2020 the WTC earnings disregard is set at £17.10. As a result any claimant that has an increase in their WTC award above £17.10 a week will be treated as having more income and their CTR award will be reduced.

The amount of relief awarded will vary depending on individual circumstances and the level of their WTC or CTR awards. The relief awarded will act to minimise any CTR reduction as a result of an increase in the WTC award.

A person who falls under this class will receive an award after all other discounts, have been awarded, including relief under class 4.3 within this policy, and where there is still a council tax liability to pay.

Eligible persons will be identified by the council and relief is awarded automatically with no application needed.

5. Amount of relief

The eligibility criteria is set out in paragraph 3. Any relief to be awarded is entirely at the council's discretion.

The eligibility criteria for foster carers and care leavers is set out in paragraph 4. Where the applicant is a foster carer or care leaver and meets the eligibility criteria the amount of council tax due from the relief date will be reduced to nil.

6. Appeals

Under Section 16 of the Local Government Finance Act 1992, there is a right of appeal if a customer applying for a discretionary reduction under Section 13A is aggrieved by the Council's decision. The appeal must be made in writing to the principal council tax office. The Council will then consider whether the customer has provided any additional information against the required criteria that will justify a change to its decision. If the original decision is upheld and the customer remains aggrieved, there is a further right of appeal to a valuation tribunal.