



Council Tax

Discretionary Hardship Reduction Policy

Section 13A(1)(c) Local Government Finance Act 1992

November 2022

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1. Introduction

- 1.1 This policy sets out the Council's approach to the awarding of discretionary hardship reduction in respect of Council Tax liability (charge) and ensures that all customers making an application for reduction are treated in a fair and consistent manner.
- 1.2 The policy is part of a suite of policies including the Debt Management Policy and Corporate Write off Policy which support the debt management strategies implemented by Durham County Council.
- 1.3 Councils have the discretion to reduce the amount of Council Tax payable by an individual under Section 13A Local Government Finance Act 1992 as amended by the Local Government Act 2003, section 76.
- 1.4 This discretion allows for the partial reduction of a bill or, where appropriate a complete remission to nil. This can be applied to cases on an individual basis or the Council can determine a class of property or resident whose liability is to be partially or wholly reduced.
- 1.5 This policy incorporates the Localised Council Tax Support Scheme and Council Tax Technical Changes introduced from 1st April 2013.

2. Criteria

- 2.1 Each hardship application will be assessed on its individual merits.
- 2.2 All awards are intended as short-term assistance and awards will not normally extend beyond a twelve-month period. The period hardship is being sought must be clearly stated on the application. They are not to be considered as a method of reducing Council Tax liability indefinitely, repeatedly, or a debt solution for historic arrears. Hardship reduction or remission will be the exception and not the rule.
- 2.3 Council Tax hardship reduction will not be awarded for any reason other than to reduce Council Tax liability.
- 2.4 Reduction is not to be granted in order to prevent recovery action including bankruptcy/committal to prison proceedings commenced by the Council or any other body. However, consideration will be given to such action being suspended if there is a hardship application decision pending.

- 2.5 The applicant must detail the reasons for the application, explaining the specific circumstances and hardship being experienced.
- 2.6 There must be evidence of hardship or personal circumstances that justifies a reduction in Council Tax liability. There is no definition in the legislation for 'hardship' and as the scheme is aimed at covering unforeseen events it is not possible to list precise criteria.
- 2.7 Exceptional circumstances for hardship under the Council Tax regulations will usually be circumstances that are outside the control of the household and beyond normal risks faced by a household. The householder(s) must demonstrate that they have done all they can to mitigate those risks and are taking action to minimise them. The policy is not designed to accommodate the effects of significant local or global events affecting multiple individuals or households.
- 2.8 Although the Council may make an award in respect of hardship, any such award is funded by the Council and the impact on Council Tax payers must be considered.
- 2.9 The applicant must be able to demonstrate that all reasonable steps have been taken to reduce and/or discharge their full Council Tax liability prior to application including exploring entitlement to all other reductions, discounts, exemptions, reductions, discretionary payments and valuation office appeals.
- 2.10 The applicant does not have access to other assets that could be realised and used to pay Council Tax.
- 2.11 Application for hardship reduction should be one of last resort. Applicants will be expected to have explored and secured any lawful entitlement to other benefits, incomes and reductions in preference to claiming hardship reduction. This particularly includes an application for Council Tax Reduction.
- 2.12 The liable person for an unoccupied domestic property has made their best efforts to sell or let the property and to levy a Council Tax charge would cause them exceptional financial hardship.
- 2.13 The Council's finances allow for a reduction to be made.
- 2.14 The amount outstanding must not be the result of wilful refusal to pay or culpable neglect.
- 2.15 Hardship reduction will normally be awarded for a short, fixed period depending on the nature and likely duration of the hardship. In all cases reduction will end in the following circumstances:

- At the end of the hardship reduction award period.
- There is a change of liable person.
- The Council Tax payer enters any form of formal insolvency.
- The Council Tax payer, or partner's financial circumstances significantly improve.

3. The Application

- 3.1 All applications will be made in writing or electronically from the Council Tax payer, their advocate/appointee or a recognised third party acting on their behalf, using the relevant form. All necessary supporting information and a full financial statement must be included.
- 3.2 Applications and supporting documentation can be emailed to revenuesenforcement@durham.gov.uk.
- 3.3 Postal application forms and supporting information can be sent to:
Durham County Council
Revenues and Benefits
PO Box 238
Stanley
County Durham
DH8 1FP
- 3.4 Further information may be requested from the applicant in order for a robust decision to be made. If the applicant does not supply the requested information within a specified period, the application can be deemed defective and the applicant will be informed.
- 3.5 The application may be reopened if the applicant demonstrates 'good cause' as to why the information could not be supplied at the time. No costs will be borne by the Council in the provision of this evidence.

4. The Decision Making Process

- 4.1 Upon receipt of a signed application and all supporting documentation /information a standard decision-making process will be followed.
- 4.2 Initial applications will be considered by an Enforcement and Insolvency officer within 28 days of receipt of a signed application

and supporting information. This will include a review of findings, financial implications and initial recommendations.

- 4.3 If the Enforcement and Insolvency Officer proposes to reject then a Team Leader will assess the review and if in agreement then a letter will be issued outlining the reasons for rejection and rights of appeal (see below).
- 4.4 If the Enforcement and Insolvency Officer recommends approving the application and a Team Leader agrees this will escalate to the Assistant Payments, Income and Support Manager who will review. Their approval is needed to agree the application.
- 4.5 If the Assistant Payments Income and Support Manager disputes the decision of the Officer and Team Leader and rejects the application then any redetermination would be considered at PIS Manager level and that decision would stand.
- 4.6 If a rejection issued after redetermination is appealed then the applicant will be advised in writing of this and also of their right to appeal to the Valuation Tribunal.
- 4.7 Once a decision has been approved the Council Tax payer will be notified in writing of the decision within 28 days and a revised Council Tax demand notice (bill) will be issued where applicable.
- 4.8 Whilst every effort will be made to meet the deadlines outlined above, failure by the Council to do so does not qualify the claimant for reduction.

5. Rights of Appeal

- 5.1 The Council will accept a request from the applicant for a re-determination of its decision.
- 5.2 Written requests for redetermination should be made within 28 days of the issue of the decision letter stating reasons why the decision should be reviewed.
- 5.3 In the case where the applicant has been notified of a decision and they exercise their rights to appeal, payment cannot be withheld pending an appeal decision. In the event that an appeal is successful, any interim overpayment will be refunded.
- 5.4 Considerations will include any additional information provided by the applicant that may justify a change to its original decision.

- 5.5 The Council will notify the Council Tax payer of its final decision within 21 days of receiving a request for a re-determination.
- 5.6 Whilst every effort will be made to meet the deadline outlined above, failure by the Council to do so does not qualify the claimant for reduction.
- 5.7 If a claimant remains dissatisfied with the outcome of the redetermination, they may appeal to the Valuation Tribunal for England (VTE). The applicant has two months from the date of the redetermination decision to do this.

Any application for appeal made outside of the two month time frame may be considered at the discretion of the chair of the Tribunal.

Valuation Tribunal
2nd Floor
120 Leaman Street
London
E1 8EU

Telephone: 0303 445 8100

E mail: appeals@valuationtribunal.gov.uk

6. Cancellation of an Award

- 6.1 If an award is subsequently cancelled, the amount awarded will be withdrawn from the applicant's Council Tax account and will be payable as the Council Tax due under the regulations.
- 6.2 The Council reserves the right to withdraw any award made under this scheme where fraud or error has occurred.
- 6.3 The Council reserves the right to withdraw any award where the applicant has failed to provide, or, has knowingly provided false or misleading information.

7. Advice and Support

- 7.1 Every attempt should be made to provide as much support and advice to applicants as possible. There are several avenues of support that can be signposted and they include:
 - Welfare Rights
 - Welfare Assistance

- Free School Meals
- Citizens Advice County Durham
- Step Change Debt Charity