

**Isle of Wight Council  
Council Tax  
Discretionary Reduction in Council Tax  
Liability Policy**

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# 1 Introduction and Legislation

1.1 Section 13A (1)(c) of the Local Government Finance Act 1992, provides the Council with additional discretionary powers to enable it to reduce the council tax liability where statutory discounts, exemptions and reductions do not apply.

1.2 These discretionary awards can be given to:

- Individual Council Taxpayers;
- Groups of Council Taxpayers defined by a common set of circumstances;
- Council Taxpayers within a defined area: or
- To all Council Taxpayers within the Council's area.

1.3 This policy is basically divided into the following areas namely:

- (a) The Council Tax Care Leaver Discount – this part of the policy covers the initiative introduced by the Council in 2019 which specifically targets Care Leavers;
- (b) The Flood Recovery Framework – this part of the policy covers situations outlined by Central Government where any parts of the Council's area were to be designated as a designated flood area;
- (c) Granting of reductions in Council Tax liability where there is exceptional hardship - this part of the policy applies to circumstances where the applicant experiences exceptional hardship;
- (d) Crisis – this part of the policy deals with all cases where a reduction in liability is claimed where there the taxpayer experiences a crisis (other than mentioned in (a) to (c); and
- (e) Other circumstances – this part applies where the application is made other than for (a) to (d) above.

1.4 The relevant legislation (S13 (1) (c) of the Local Government Finance Act 1992 as amended by the Local Government Finance Act 2012), states the following:

## **Reductions by billing authority**

(1) The amount of council tax which a person is liable to pay in respect of any chargeable dwelling and any day (as determined in accordance with sections 10 to 13);

- (a) in the case of a dwelling situated in the area of a billing authority in England, is to be reduced to the extent, if any, required by the authority's council tax reduction scheme;
- (b) .....
- (c) in any case, may be reduced to such extent (or, if the amount has been reduced under paragraph (a) or (b), such further extent) as the billing authority for the area in which the dwelling is situated thinks fit.

1.5 The provisions stated in (c) above, allows the Council to reduce the Council Tax liability for any taxpayer in addition to any application for Council Tax Reduction under the Council's scheme. This is a general power that has always been available to the Council.

1.6 When deciding on whether to grant a reduction in liability, the Council will consider each application on its merits. Principles of reasonableness will apply in all cases with the authority deciding each case on relevant merits.

- 1.7 Any decision made will be without reference to any budgetary considerations notwithstanding the fact that any awards must be balanced against the needs of local taxpayers who will ultimately pay for any reduction in Council Tax income. However, where Central Government provides funding directly to the Council to compensate for specific events such as the COVID-19 crisis and in the case of severe flooding, the Council will look to use all funding provided.
- 1.8 The period of any reduced liability will be considered in conjunction with the circumstances of the Council Taxpayer except where specified by Central Government.

## **2 Council Tax Care Leavers Discount**

### **Introduction**

- 2.1 The Council has introduced a discount from 1 April 2019 to provide assistance to care leavers from Council Tax. This has been implemented to reflect challenges faced by many care leavers as they learn to budget their finances independently.
- 2.2 Care leavers are a particularly vulnerable group for Council Tax debt, and as they move into independent accommodation and begin to manage their own budget, it can be a challenging time, exacerbated if they fall behind with Council Tax.
- 2.3 The Council, as a corporate parent, wants to support care leavers up to the age of 25, by the granting of a discretionary discount of up to 100% of the Council Tax liability.
- 2.4 This means that the Council will be providing financial support to care leavers whilst they develop independent lives and life skills.
- 2.5 In establishing this local discretionary support the Council will administer the discount through the council tax write off procedures to the level of support within each scheme, in accordance with the financial regulations.
- 2.6 Support will only be provided to care leaver's resident on the Island.

### **The Council's Policy in respect of Carers**

- 2.8 The Council shall operate the scheme strictly in accordance with Central Government guidelines. There are two parts to this scheme, relating to:

#### **Part 1**

- (a) Care leavers who are sole occupants and have liability for council tax.
- (b) Properties that are solely occupied by care leavers, where one or more of the occupants are liable for council tax.

## **Part 2**

(a) Care leavers who are jointly liable with one or more other liable parties who is/are not a care leaver.

2.9 This discretionary discount will only be applied after the entitlement to other national discounts or exemptions have been applied and will only apply to Council Tax liabilities within the Isle of Wight Council area.

### **Definition of a Care Leaver for the purposes of this scheme**

2.10 The term 'care leaver' is defined in The Children (Care Leavers) Act 2000 and refers to eligible, relevant, and former relevant children:

- The person is someone for whom Isle of Wight Council has acted previously as a corporate parent;
- Relevant children are those young people aged 16 and 17 who have already left care, and who were 'looked after' for at least 13 weeks from the age of 14 and have been 'looked after' at some time while they were 16 or 17; and
- Former relevant children are those young people aged 18, 19 or 20 who have been eligible and/or relevant.

2.11 Care leavers can also be classified as a 'qualifying' care leaver. This category applies to young people who:

- (a) Left care after 1st October 2001, after they had turned 16, but who are not 'eligible' or 'relevant' because they did not fulfil the 13-week criteria;
- (b) Were accommodated, but in residential education, mental/health provision private fostering or Special Guardianship; or
- (c) For the purposes of this policy 'qualifying care leavers' will be treated in the same way as 'care leavers'.

2.12 Additionally former care leavers born before 2001 will be designated as a qualifying care leaver for the purposes of this policy.

### **Discounts for care leavers falling into Part 1 of this scheme**

2.13 The Council under this policy will reduce the amount of council tax payable to £0.00, after the application of all other national discounts, exemptions, and entitlement to local council tax support, where a care leaver, as defined in this policy, is liable for council tax, and any other adult occupants also meet the definition of care leaver as described in this policy.

### **Discounts for care leavers falling into Part 2 of this scheme**

2.14 The Council under this policy will reduce the amount of council tax payable, by applying a discretionary discount of 50%, after the application of all other national discounts, exemptions, and entitlement to local council tax support, where one or more care leavers, as defined in this policy, are liable for council tax, and other adults occupy the property who are not care leavers.

## **Exclusions**

- 2.15 This discount will only apply where the property is occupied. If the property is empty, the level of discount is as defined in the Council's Policy for Second Homes, Long Term Empty Properties and determining discounts for certain dwellings.
- 2.16 Where the care leaver is liable for more than one property, this discount will only be awarded in respect of their sole or main residence.
- 2.17 Where a care leaver lives in a household and the liable person would be exempt from council tax if the care leaver did not reside at the property, a 100% discount will be awarded.

## **Publication of the changes**

- 2.18 The Council, in accordance with the legislation, will publish the changes to the Council Tax regime within 21 days of making such a resolution.

## **Application Process**

- 2.19 Where data sharing consent has been provided, the Council's Children and Families Service will provide the Revenues service with information to identify recipients of this discretionary discount. Where this is possible, a formal application is not required, as the Council's Revenues team will be able to establish eligibility.
- 2.20 For other care leavers, applicants will need to make a request for the discount, including their written authority for the Council's Children and Families Service to provide the necessary evidence to confirm eligibility.

## **Changes in circumstances**

- 2.21 The Council may revise any discretionary reduction in liability where the applicant's circumstances or situation has changed.
- 2.22 The taxpayer agrees that he/she must inform the Council immediately either by phone or in writing about any changes in their circumstances which might affect the claim for under this policy.
- 2.23 Failure to do so may result in the withdrawal of the reduction granted for the year and the requirement to repay any outstanding amount to the Council. All changes in circumstances should be notified within 21 days in accordance with the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 as amended.

## **The award and duration of a reduction in liability**

- 2.24 Both the amount and the duration of the award are determined at the discretion of the Council and will be done so on the basis of the evidence supplied and the circumstances of the claim.
- 2.25 The start date of such a payment and the duration of any payment will be determined by

the Council.

- 2.26 In line with legislation, any award shall be granted as a percentage reduction in the liability of the Council Tax Payer thereby reducing the amount of Council Tax payable through a write off procedure.
- 2.27 The application and/or information provided by the Council's Children and Families Service together with any supporting documentation will be submitted to the Revenues Manager for a decision, up to a limit of £2000 per financial year and with a maximum of £6000; any reductions above this amount will be referred to the Chief Financial Officer & Section 151 Officer.

### **3. The Flood Recovery Framework**

- 3.1 In a severe weather event with significant wide area impacts, local authorities may need central support to help their communities and businesses return to normal. Building on these principles, a core package of business and community recovery support has been developed by Central Government to serve as a framework for flood recovery funding when needed.
- 3.2 It will be for Government Ministers to determine when this support will be made available. Weather incidents with localised impacts will not usually trigger a recovery support package.
- 3.3 In relation to Council Tax, Central Government have developed a Council Tax discount package that is available under S13A (1) (c).

#### **Who is eligible for a council tax discount?**

- 3.4 Where the Council Tax Discount Scheme is activated following severe weather, MHCLG will refund eligible local authorities for granting discounts in the following circumstances:
- (a) 100% discount for a minimum of 3 months, or while anyone is unable to return home if longer, for primary residences whereas a result of the relevant weather event:
- Flood water entered into the habitable areas; or,
  - Flood water did not enter into the habitable areas, but the local authority regards that the residence was otherwise considered unliveable for any period of time.
- AND
- (b) 100% council tax discount on temporary accommodation for anyone unable to return to their home, in parallel with the discount on their primary residence where applicable.
- 3.5 Second homes and empty homes will not be eligible.
- 3.6 Instances where households might be considered unliveable could include:
- where access to the property is severely restricted (e.g., upper floor flats with no access);
  - key services such as sewerage, draining, and electricity are severely affected;

- the adverse weather has resulted in other significant damage to the property such that it would be, or would have been, advisable for residents to vacate the premises for any period of time, regardless of whether they do vacate or not;
- flooded gardens or garages will not usually render a household eligible but there may be exceptions where it could be demonstrated that such instances mean effectively that the property is unliveable.

3.7 It will be for the Council to determine eligibility under the scheme.

### **Properties affected by multiple instances of flooding**

3.8 Residences impacted in multiple flood events will not be precluded from repeat support where this is made available by Government in respect of separate weather events.

3.9 Where the scheme is activated for two separate instances of flooding within 3 months of each other, the two discount periods will run concurrently. For example, if the second flood event occurred after 2 months, flooded properties already receiving support could be eligible for another 3 months' discount, making the total period of reimbursement 5 months.

### **Funding**

3.10 In such cases, Central Government will make payment to the Council via a Section 31 grant.

### **The Council's Policy in respect of the Flood Recovery Framework**

3.11 The Council shall operate the scheme strictly in accordance with Central Government guidelines.



## **4 Exceptional Financial Hardship**

- 4.1 In accordance with Section 13A (1) (a) of the Local Government Finance Act 1992, the Council has a Council Tax Reduction Scheme which provides support, through a discount, to those deemed to be within financial need. The Scheme has been designed to take into account the financial and specific circumstances of individuals through the use of applicable amounts, premiums, and income disregards.
- 4.2 Applications will be accepted under this part of the policy for people who have qualified for support under the Council Tax Reduction Scheme but who are still experiencing severe financial hardship. Other taxpayers may also apply; however, the Council would normally expect the taxpayer to apply for Council Tax Reduction in any case.
- 4.3 As part of the process of applying for additional support, all applicants must be willing to undertake all of the following:
- (a) Make a separate application for assistance;
  - (b) Provide full details of their income and expenditure;
  - (c) The taxpayer is able to satisfy the Council that they are not able to meet their full Council Tax liability or part of their liability;
  - (d) Accept assistance from either the Council or third parties such as the CAB or similar organisations to enable them to manage their finances more effectively including the termination of non-essential expenditure;
  - (e) Identify potential changes in payment methods and arrangements to assist the applicant;
  - (f) Assist the Council to minimise liability by ensuring that all discounts, exemptions, and reductions are properly granted;
  - (g) The taxpayer is able to demonstrate that all reasonable steps have been taken to meet their full Council Tax liability including applications for employment or additional employment, alternative lines of credit;
  - (h) The taxpayer has no access to assets that could be realised and used to pay the Council Tax
  - (i) and benefits, Council Tax Support, discounts, and exemptions
  - (j) Maximise their income through the application for other welfare benefits, cancellation of non-essential contracts and outgoings and identifying the most economical tariffs for the supply of utilities and services generally.
- 4.4 The Council will be responsible for assessing applications against this policy and an officer will consider the following factors when applying this policy:
- a. Current household composition and specific circumstances including disability or caring responsibilities;
  - b. Current financial circumstances;
  - c. Determine what action(s) the applicant has taken to alleviate the situation;
  - d. Consider alternative means of support that may be available to the applicant by:
    - i. re-profiling council tax debts or other debts;
    - ii. applying for a Discretionary Housing Payment for Housing Benefit (where applicable);
    - iii. maximising other benefits;
    - iv. determining whether in the opinion of the decision maker the spending priorities of the applicant should be re-arranged.

## **5 Crisis**

- 5.1 The Council will consider requests for assistance from Council Taxpayers who, through no fault of their own, have experienced a crisis or event that has made their property uninhabitable, where they remain liable to pay council tax and for which they have no recourse for compensation nor have recourse to any statutory exemptions or discounts.
- 5.2 All such requests must be made in writing detailing the exact circumstances of why reduction in the liability is required and specifying when the situation is expected to be resolved.
- 5.3 The Council will consider applications on a case-by-case basis in consultation with other organisations as appropriate. Any reduction will be applied where they remain liable to pay council tax and for which they have no recourse for compensation nor to any statutory exemptions or discounts or where the crisis or event is not covered by any insurance policy.

## **6 Other Circumstances**

- 6.1 The Council will consider requests from Council Taxpayers for a reduction in their liability based on other circumstances, not specifically mentioned within this document. However, the Council must be of the opinion that the circumstances relating to the application warrant further reduction in their liability for Council Tax having regard to the effect on other Council Taxpayers.
- 6.2 No reduction in liability will be granted where any statutory exemption or discount could be granted.
- 6.3 No reduction in liability will be granted where it would conflict with any resolution, core priority or objective of the Council.

## **7 Changes in circumstances**

- 7.1 The Council may revise any discretionary reduction in liability where the applicant's circumstances or situation has changed.
- 7.2 The taxpayer agrees that he/she must inform the Council immediately either by phone or in writing about any changes in their circumstances which might affect the claim for under this policy. Failure to do so may result in the withdrawal of the reduction granted for the year and the requirement to repay any outstanding amount to the Council.

## **8 Duties of the applicant and the applicant's household**

- 8.1 A person claiming any reduction in liability must:
- Provide the Council with such information as it may require to make a decision;
  - Tell the Council of any changes in circumstances that may be relevant to their ongoing claim; and

- Provide the Council with such other information as it may require in connection with their claim.

## **9 The award and duration of a reduction in liability**

- 9.1 Both the amount and the duration of the award are determined at the discretion of the Council and will be done so on the basis of the evidence supplied and the circumstances of the claim.
- 9.2 The start date of such a payment and the duration of any payment will be determined by the Council. In any event, the maximum length of the award will not exceed the end of the financial year in which the award is given.
- 9.3 The application and any supporting documentation will be submitted to the Revenues Manager for a decision, up to a limit of £2000 per financial year and with a maximum of £6000; any reductions above this amount will be referred to the Director of Finance.

## **10 Payment**

- 10.1 In line with legislation, any award shall be granted as a reduction in the liability of the Council Taxpayer thereby reducing the amount of Council Tax payable

## **11 Reductions in Council Tax liability granted in error or incorrectly**

- 11.1 Where a reduction in liability has been granted incorrectly or in error either due to a failure to provide the correct or accurate information to the Council or some other circumstances, the Council Taxpayers account will be adjusted and billed in the normal way.

## **12 Notification of a reduction in liability**

- 12.1 The Council will notify the outcome of each application in writing. The notification will include the reason for the decision and advise the applicant of their appeal rights.
- 12.2 If a Council Taxpayer is aggrieved by the council's decision a written request for a review of its decision can be submitted if it is made within 2 months of the original decision. If the original decision is upheld and the council tax payer remains aggrieved, there is a further right of appeal to the valuation tribunal.

## **13 Appeals**

- 13.1 Appeals against the Council's decision may be made in accordance with Section 16 of the Local Government Finance Act 1992.
- 13.2 The Council Taxpayer must in the first instance write to the Council outlining the reason for their appeal. Once received the council will then consider whether any additional information has been received which would justify a change to the original decision and

notify the Council Tax payer accordingly.

- 13.3 Where the Council Taxpayer remains aggrieved, a further appeal can then be made to the Valuation Tribunal. This further appeal should be made within 2 months of the decision of the Council not to grant any reductions. Full details can be obtained from the Councils website or from the Valuation Tribunal [www.valuationtribunal.gov.uk](http://www.valuationtribunal.gov.uk)

## **14 Fraud**

- 14.1 The Council is committed to protecting public funds and ensuring funds are awarded to the people who are rightfully eligible to them.
- 14.2 An applicant who tries to fraudulently claim a reduction in liability by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under The Fraud Act 2006.
- 14.3 Where the Council suspects that such a fraud may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings being instigated.

## **15 Complaints**

- 15.1 The Council's 'Compliments and Complaints Procedure' (available on the Councils website) will be applied in the event of any complaint received about this policy.

## **16 Policy Review**

- 16.1 This policy will be reviewed annually and updated as appropriate to ensure it remains fit for purpose. However, a review may take place sooner should there be any significant changes in legislation.