

# Dacorum Borough Council - Discretionary Council Tax Reduction

## Background and legislation

Discretionary council tax reductions (DCTR) allow the Council to give extra help to reduce the amount of council tax a person has to pay. This is in addition to the taxpayer's entitlement to council tax discounts or reductions under the local council tax support scheme. We are required to consider requests for DCTR under section 13A(1)(c) of the Local Government Finance Act 1992.

The cost of awarding DCTR is fully borne by Dacorum Borough Council from the General Fund.

This policy sets out how the Council will operate the DCTR scheme, and the factors that will be considered when deciding whether to make an award.

## What is a discretionary council tax reduction?

DCTR is further help with council tax in addition to a taxpayer's entitlement to discounts or local council tax support. This means that extra support can be given on the basis of individual circumstances which are not taken into account in the main schemes. It can be paid to any council taxpayer.

## How will Dacorum Borough Council use discretionary council tax reductions?

We will use DCTR to support the Council's key priorities, in particular **Affordable Housing** and **Building Community Capacity**.

We will do this by using DCTR to:

- prevent evictions and homelessness;
- help taxpayers actively seeking a move to more financially sustainable accommodation;
- alleviate poverty;
- support people with disabilities to remain in homes which have been adapted for their use;
- support vulnerable taxpayers to remain in their homes;
- support taxpayers affected by welfare reform changes.

"Vulnerable" has the same meaning as defined in our Local Council Tax Support Scheme 2013/14. It means:

- the taxpayer, their partner, or a child who lives with them is disabled;
- the taxpayer has a child under five; or
- the taxpayer or their partner receives a war widow's or war disablement pension.

## **Claiming a discretionary council tax reduction**

All applications must be made in writing, and come from the council tax payer or someone authorised to act on their behalf. The application should explain all of the circumstances on which the request is based. To help taxpayers give us the information that we need, a claim form is available by contacting the revenues service.

We will ask for reasonable evidence in support of the application, and may ask the customer to attend an interview to discuss their personal or financial circumstances.

### **Who will make the decision, and how long will it take?**

The decision will be made by two lead officers from the revenues and benefits service. Details of the decision and reasoning will be recorded on the revenues document management system.

We aim to make a decision within two weeks of receiving all the information we need to make a decision.

### **What will be taken into account when the decision is made?**

Each application will be considered on its own individual merits. The following will be considered:

- how the application fits within the Council's priorities detailed above.
- how much council tax is due to be paid by the taxpayer.
- whether the taxpayer has applied for, or is receiving, a discretionary housing payment.
- whether the taxpayer has applied for, or is receiving, local council tax support or other welfare benefits.
- any medical circumstances (including ill health and disabilities) that affect the taxpayer or their household.
- if the taxpayer has previously been awarded a DCTR, whether they have met any conditions which were part of that award.
- the income and expenditure of the taxpayer and the taxpayer's household.
- whether the taxpayer has access to any assets that could be used to pay the council tax.
- any action being taken by the taxpayer to reduce their expenditure, or increase their income.
- any priority debts held by the taxpayer or the taxpayer's household. These include:
  - rent arrears;
  - gas, electricity and water arrears;
  - council tax arrears;
  - court fines;
  - arrears of child support maintenance;
  - income tax or VAT arrears;
  - TV Licence arrears.
- any other special circumstances raised on the application.

**How much discretionary council tax payment will be awarded, and how long will the award last?**

The amount of a DCTR will depend on the individual circumstances of the taxpayer. The amount of DCTR awarded will usually still leave some council tax for the taxpayer to pay.

Awards of DCTR will last for different periods according to the individual circumstances of the taxpayer. An award cannot be made for longer than the current financial year.

Awards are conditional on customers taking such actions as deemed appropriate by the revenues and benefits service. These may include:

- seeking financial advice from a relevant agency (such as Citizens' Advice);
- seeking alternative accommodation;
- reducing their weekly expenditure; or
- attending a relevant training course.

If these conditions are not met, the award of DCTR may be ended early, or a further award of DCTR may not be given.

**When will an award of discretionary council tax reduction start?**

Any award will normally start from the date we receive the application.

In exceptional circumstances, we will consider starting from an earlier date in the same council tax year (1 April to 31 March).

**How will discretionary council tax reduction be paid?**

The reduction will be applied to the council tax account, and a new bill will be sent.

**How will taxpayers be notified about discretionary council tax reduction decisions?**

We will send a letter giving details of our decision. The letter will contain the following information:

- whether or not a DCTR has been awarded;
- amount of DCTR awarded;
- start and end dates of award;
- details of any conditions attached to the award;
- if unsuccessful, reasons for refusing the award;
- details of the review process.

### **What will happen if a taxpayer is not happy with the decision?**

If the taxpayer is unhappy with the Council's decision, they can request a review. An officer not involved with the original decision will look at the application again.

After this, the taxpayer can appeal to the independent valuation tribunal if:

- we don't change the decision;
- we do change the decision but they are still unhappy; or
- we do not respond within two months of their request for review.

### **Responsibilities of customers receiving discretionary council tax reduction**

Council taxpayers have the responsibility to inform the revenues service of any change in their circumstances while they are receiving a DCTR. This is in addition to their responsibility to advise the benefits service of changes which may affect their council tax support award if they are also getting this.

Taxpayers must also meet any conditions which have been attached to the award.

If a change of circumstance takes place and this means the taxpayer has been awarded too much DCTR, this will be recovered by adjusting their council tax account.

### **What happens when an award of discretionary council tax reduction ends?**

If a taxpayer wants a further award of DCTR they must make a further application. This will be considered in the same way as their initial claim, but with more weight being given to how well they have met any conditions which formed part of their previous award.