

# **Council Tax Hardship Relief policy**

s13A, Local Government Finance Act 1992 as amended by Local Government Act 2003, section 76.

The Executive Committee, at a meeting on 4 March 2024 agreed for the Revenues and Benefits departments to administer hardship relief (HR) in respect of Council Tax.

## **1. Introduction**

- 1.1 Section 76 of the Local Government Act 2003 gives a billing authority discretion to remit the payment of Council Tax where it is satisfied that the taxpayer would sustain hardship if it did not do so, and it is unreasonable to do so having regard to the interests of its Council Tax payers.
- 1.2 The granting of hardship relief (HR) is wholly discretionary; the only requirement being that the Council must consider every case on its merits. Guidance to officers exercising this discretion is that reduction or remission of Council Tax on grounds of hardship should be the exception rather than the rule.
- 1.3 It also agreed the criteria to be used in assessing relief and the appeals procedure for applicants whose request for HR is refused and wish to appeal against the refusal to have the matter referred to committee for review.
- 1.4 Other ways of reducing or remitting the Council Tax must be considered. Relief is not to be granted where the amount is outstanding as a result of wilful refusal or culpable neglect on the part of the taxpayer.
- 1.5 Relief is not to be granted in order to prevent recovery action being instigated by the Council or to stop bankruptcy or committal proceedings commenced by the Council or any other body.
- 1.6 The policy adopted is restrictive, it specifies the maximum amount of relief that can be given to any taxpayer, and takes into account the fact that cash limited budget exists to fund the relief.

## **2. WHAT IS HARDSHIP**

The legislation does not give a firm definition of hardship however the following is to be adopted.

- i) the taxpayer is able to satisfy the billing authority that they are not able to meet their full Council Tax liability or part of their liability.
- ii) the taxpayer is able to demonstrate that all reasonable steps have been taken to meet their full Council Tax liability including applications for alternative lines of credit and benefit.
- iii) the taxpayer can prove that the current circumstances are unlikely to improve in the following 12 months making payment of the Council Tax impossible.
- iv) the taxpayer is not in employment and has no other funding except for that available through public funds.
- v) enforced payment of their full Council Tax liability would result in severe hardship as defined by insufficient money being available for basic needs such as food or medical prescriptions.
- vi) HR will be capped to a maximum award to any one individual equivalent to the equivalent band D charge for the financial year in which the application was received. However remitting the whole Band D charge, which would be considered a significant sum, needs to be in extreme cases only.
- vii) HR will be granted only on the basis that money is available in the relevant Hardship fund for the financial year in which an application is received.

## **GUIDANCE FOR OFFICERS**

### **1.1 PURPOSE AND CRITERIA OF POLICY**

This policy has been agreed by the Council to ensure all taxpayers making applications for this relief are treated in a fair, consistent and equal manner.

### **1.2 PROCESS**

Claimants liable for Council Tax in Woking should make an application in writing or online and include a copy of:

- Their income and expenditure
- Evidence to support their claim.

## **2. THE PURPOSE OF SCHEME**

The scheme's aim is to award hardship relief towards Council Tax payable by the claimant who is suffering financial hardship.

The award may be all of the Council Tax outstanding, if this is less than the relevant band D charge for the year in which the application was received, or a percentage of the total Council Tax outstanding, but relief must not exceed the stated band D equivalent figure for the year in question.

## **3. AWARD ARRANGEMENTS**

The Revenues/Benefit Managers will review the application, in accordance with the policy.

## **4. CAPS FOR RELIEF**

Two caps will operate for hardship relief. The first cap is linked to the relevant budget allocation for HR in any one year and total awards will not exceed this allocation. The second cap is in respect of individual awards. In this respect, this will be the equivalent of the band D charge for the year in which the application was received.

## **5. REVIEW PROCESS**

Review requests to be made by the original applicant. An appellant may appoint an agent act on their behalf and in such cases the Council will require written authorisation from the appellant before dealing with their agent.

Decision reviews will be considered by a Senior Revenues or Benefits Officer within the appropriate Section. This officer must not be the officer who made the original decision. Decisions on reviews will be final.

Applicants must make a request for review within four weeks of the letter or email notifying them of the original decision. These must be made in writing or via an online form and must give the reasons why it is believed the decision should be amended. New or additional information may be included, but only if it is relevant to the decision-making process.

Each application will be considered individually on its merit.

The Council's internal review process will not affect any statutory process that the applicant maybe entitled to pursue.

## **6. NOTIFICATION OF AWARDS**

The Council will consider applications within six weeks of the application and all supporting information being received or as soon as practicable thereafter.

Notification of the outcome of the decision will be made in writing or via email within fourteen days of the decision being made.

## **7. ACTION TO RECOVER UNPAID COUNCIL TAX WHILST A DECISION IS PENDING**

Receipt of an application for relief will not negate in any way the taxpayer's obligation to pay the Council Tax as demanded.