

Appendix B

Discretionary Council Tax Reduction (DCTR)

Policy Document

Please read this document carefully and retain it for future reference

Introduction

Section 13a of the Local Government Finance Act 1992 makes provision for councils to waive or reduce council tax in extraordinary circumstances, a facility that was not greatly used until the full impact of the local council tax reduction scheme was felt along with other changes introduced as part of welfare reform, effective from April 2013. Historically the Child Support, Pensions and Social Security Act 2000 provided arrangements which allowed local authorities to make Discretionary Housing Payments (DHP) to customers in receipt of Housing Benefit but the change in 2013 meant that DHP could no longer be used to meet the council tax.

The Discretionary Council Tax Reduction Scheme provides limited funding to support customers through anomalies and hardship in situations where the normal council tax reduction scheme does not meet specified council tax costs.

The overall purpose of the scheme is to reduce the risk of indebtedness and homelessness and support the stability of families and communities in line with the Council's goal to build sustainable communities and protect the most vulnerable in society. It aims to protect council tax payers from incurring excessive debt and encourage engagement with the council. This scheme may be offered in conjunction with other local welfare support schemes or as a stand-alone award. It may form part of rescue-package that the customer may need to manage a series of complex or inter-related debt that requires financial assistance, guidance and support from a variety of bodies.

Background

As part of its engagement and consultation which took place prior to the introduction of the council tax reduction scheme in Wiltshire, there was a consensus that a discretionary reduction scheme should be made available for exceptional circumstances and the learning, evidence and case law gathered from the first year of the scheme is highlighting the need for this policy.

The scheme is therefore a local scheme. It is not government funded, it is funded by the council through monies saved through the investigation of fraudulent activity and from income generated by the Revenues Service from the withdrawal of discounts.

Basic eligibility criteria

It is not possible to prescribe the circumstances that will result in the award of DCTR as each case is likely to be unique and should be considered on its merit, taking into account any relevant information provided by the customer. However before considering an award the Council must be satisfied that the customer is entitled to council tax reduction and meets the following criteria:-

- has a council tax liability
- requires specific assistance paying council tax.

All applications for DCTR will be duly considered in conjunction with this policy document, the applicant's individual circumstances and the Department for Work and Pensions guide: - <http://www.dwp.gov.uk/docs/discretionary-housing-payments-guide-draft.pdf>

Applying for a DCTR

Wiltshire Council will bring to the attention of any applicant for council tax reduction, details of the DCTR scheme. All claims for DCTR must be made in writing using the prescribed applications form which can be downloaded at <http://www.wiltshire.gov.uk/counciltaxhousingandbenefits/housingandcounciltaxbenefit/benefitsrentcltaxnotcovered.htm>

Considerations in awarding a DHP

In deciding whether to award a DCTR, the Council will take into account:

- The shortfall between council tax reduction and their council tax liability
- Any steps taken by the applicant to reduce their council tax liability
- The financial and medical circumstances of the claimant, their partner and any dependants and any other occupants of the claimant's home
- The income and expenditure of the claimant, their partner and any dependants or other occupants of the claimant's home. – **Income form Disability Living Allowance/Personal Independent Payment (PIP) will be disregarded in full when considering the household income**
- Any savings or capital that might be held by the claimant or their family
- The level of indebtedness of the claimant and their family
- The nature of the claimant and their family's circumstances
- The amount available in the DCTR budget at the time of the application
- Whether the claimant has been awarded a Discretionary Housing Payment (DHP)
- The possible impact on the Council of not making such an award, eg. the pressure on priority homeless accommodation
- Any other special circumstances brought to the attention of the Council.

Awards

Discretionary Council Tax Reduction should not undermine the purpose and nature of the Council Tax Reduction scheme nor should it support irresponsible behaviour. The Council expects awards to be made in unusual or extreme circumstances where additional help will have a significant effect in alleviating hardship, debt and reducing the risk of homelessness.

In general, the Council will also give higher priority to assisting people, particularly families with children of school age (to ensure stability in children's education) to retain an established home. Low priority will be given to assisting people who take on housing costs which because of the nature, location or price of the property are unaffordable and unsustainable from the start.

Prioritisation of awards due to welfare reform

Welfare reform changes will greatly increase the number of customers who face an increase in the amount of council tax they have to pay. In considering a DCTR award due to reforms of the benefit system priority will be given to some of the most vulnerable customer base including:

- Social sector tenants affected by the under occupation size criteria who live in properties that have been substantially adapted to meet needs arising from severe disabilities and to aid independent life. It may be perverse and uneconomic to expect people to move in these particular circumstances given it would generate greater cost of re-adaptations to an alternative home.
- Social sector tenants affected by the under occupation size criteria who may have long term medical conditions which create difficulty in sharing a room with another person.
- Short term support for families affected by the Benefit Cap that is due to be introduced in the summer of 2013. Failure to do so could lead to the council finding emergency and costly temporary accommodation for families far in excess of the savings reaped by central government.
- Those affected by the introduction of universal credit

Period of Award

Awards in most instances will be for an agreed period or an agreed sum. The Council recognises that a small proportion of awards will need to be awarded retrospectively. However the maximum amount of any award will be £2000.00

Making Payments

The Discretionary Council Tax Reduction will be deducted from the claimant's council tax account.

Notification of award

The Revenues Service will inform the customer in writing of the outcome of their application. Where the application is unsuccessful, the Revenues Service will set out the reasons why the decision has been made and explain the right of review. Where the application is successful , the Revenues Service will advise:

- The amount of DCTR awarded
- The period of the award

Change of circumstances

The Council may need to revise an award of a DCTR where the claimant's circumstances have materially changed

Overpayments

If there is an overpayment of DCTR the authority will consider whether it's appropriate to seek recovery.

Recoverable overpayments will be recovered by through an adjustment to the claimant's council tax account.

Right of review

There are no formal rights of appeal against decisions in relation to DCTR but where a review of the decision is requested, arrangements will be made for considerations to be heard by a panel of senior officers. This will ensure consistent decision making across the service.

DCTR Financial Assessment Form – Income and Expenditure – Please detail all income and expenditure for you and your partner (if applicable)

Income	Weekly amount		Expenditure	Weekly amount
	You	Partner		
Wages/Salary			Rent/Mortgage	
Income support			Gas	
Jobseekers Allowance			Electricity	
Employment & Support Allowance			Water & Sewage Rate	
Incapacity Benefit			Other Fuel	
Working Tax Credit			Telephone	
Child Tax Credit			Mobile Phone	
Child Benefit			Food	
Retirement Pension			Household & Toiletries	
Private Pension			Council Tax Payments	
DLA (care rate)			Internet/Broadband	
DLA (Mobility)			TV Rental	
Widows Pension			TV Licence	
Pension Credits			Sky, TV or Cable	
Maintenance			Insurance	
Carers Allowance			Car Expenses	
Savings			Petrol	
Other Income, please list below:			Other travel expenses	
			Loans	
			Fines	
			School Meals	
			Clothing	
			Catalogue	
			Social Fund Loan	
			Other expenditure, please list below:	
Total	£		Total	£

I declare that all of the information I have given is correct and complete

Signed	
Dated	

I have completed the above form on behalf of the person claiming and confirm that the information I have written is correct

Signed	
Dated	