

REPORT TO: Executive Board

DATE: 19 November 2020

REPORTING OFFICER: Strategic Director Enterprise Community & Resources

PORTFOLIO: Resources

SUBJECT: Council Tax Section 13A Discount Policy Statement

WARD(S): Borough-wide

1. PURPOSE OF REPORT

1.1. To amend the Council Tax Section 13A Discount Policy Statement to reduce to nil the Empty Homes Premium levied on certain residential dwellings which are being renovated to bring back into use.

2. RECOMMENDED: That the amendment to the Council Tax Section 13A Discount Policy Statement to reduce to nil the amount of Empty Homes Premium payable on certain residential dwellings which are being renovated to bring back into use, be approved as follows;

1) From 1 April 2020, reduce to nil the amount of Empty Homes Premium payable on a residential dwelling which has recently been purchased or inherited and where the property was previously unoccupied and unfurnished between two and five years, for a period of three months.

2) From 1 April 2020, reduce to nil the amount of Empty Homes Premium payable on a residential dwelling which has recently been purchased or inherited and where the property was previously unoccupied and unfurnished for over five years, for a period of six months.

3. SUPPORTING INFORMATION

3.1 In order to deter owners of long term empty properties from continuing to leave them empty, the Local Government Finance Act 2012 allows billing authorities to levy an empty homes premium on all residential properties which have been unoccupied and unfurnished for more than two years, regardless of any change in ownership.

3.2 The Government introduced an amendment to the legislation and the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018, gave billing authorities further powers to increase the level of Empty Homes Premium they can levy on properties empty for more than two years as follows:

From 1 April 2019 up to 100% premium can be charged in addition to the full council tax for each dwelling unoccupied and unfurnished for more than two years.

From 1 April 2020 up to 100% premium can be charged in addition to the full council tax for each dwelling unoccupied and unfurnished between two and five years, and 200% premium for dwellings unoccupied for more than five years.

From 1 April 2021 up to 100% premium can be charged in addition to the full council tax for each dwelling unoccupied and unfurnished between two and five years, 200% premium for dwellings unoccupied between five and ten years, and 300% premium for properties unoccupied for more than ten years.

- 3.4 Since the introduction of the Empty Homes Premium the number of properties in Halton empty for more than two years has reduced from 250 at 1 April 2013 to 138 at 30 September 2020.
- 3.5 The breakdown of properties in Halton, empty for more than two years as at 30 September 2020 is:

Between 2 – 5 years	84
Over 5 years	54
Total	138

- 3.3 Occasionally, a council tax payer may purchase or inherit a residential property in Halton which has been empty and unfurnished for over two years and thus subject to the Empty Homes Premium. The new owner may not have been aware of this.
- 3.4 The new owner's intention may be to renovate the property to bring back into use, and the Council recognises this and wants to support these taxpayers. The Council accepts that significant works may be required to render such properties habitable and it is therefore proposed:

From 1 April 2020, reduce to nil the amount of Empty Homes Premium payable on a residential dwelling which has recently been purchased or inherited and where the property was previously unoccupied and unfurnished for a period of between two and five years, for a period of three months.

From 1 April 2020, reduce to nil the amount of Empty Homes Premium payable on a residential dwelling which has recently been purchased or inherited and where the property was previously unoccupied and unfurnished for over five years, for a period of six months.

- 3.5 Under section 13A of the Local Government Finance Act 1992 the Council has a general discretionary power to reduce liability for council tax in relation to individual cases or class (es) of cases that it may determine where national discounts and exemptions cannot be applied.
- 3.6 The changes required to the Council's Section 13A policy to facilitate the above proposals, are shown in section 5 of the policy within the Appendix. It is anticipated that this does not represent a significant financial commitment for the Council.

4. POLICY IMPLICATIONS

- 4.1 The policy statement presented in the Appendix would meet the requirements of Section 13A of the Local Government Finance Act 1992 (as amended).

5. FINANCIAL IMPLICATIONS

- 5.1 The cost of reducing to nil any Empty Homes Premiums under the Section 13A Policy would be met in full by the council taxpayer.
- 5.2 The total cost of the relief proposed cannot be determined precisely as the number of council tax payers who would apply is unknown. However, it is anticipated that this does not represent a significant financial commitment for the Council as there are only 138 residential properties in Halton currently subject to the Empty Homes Premium.

6. IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton

None

6.2 Employment, Learning and Skills in Halton

None

6.3 A Healthy Halton

None

6.4 A Safer Halton

None

6.5 Halton's Urban Renewal

Depending upon the specific circumstances, the award of discounts under the Section 13A Policy have the potential to affect all of the Council priorities above.

7. RISK ANALYSIS

- 7.1 The total cost of awards granted is unlikely to become significant. However, the number and cost of awards will be monitored and included in the quarterly performance monitoring reports to the Board.

8. EQUALITY AND DIVERSITY ISSUES

- 8.1 None.

9. LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Document	Place of Inspection	Contact Officer
Section 13A Local Government Finance Act 1992 (as amended)	Revenues & Financial Management Halton Stadium Widnes	Stephen Baker

Appendix

Council Tax

Section 13A Discount

Policy Statement

1. INTRODUCTION

- 1.1 Section 13A of the Local Government Finance Act 1992 (as amended) provides the Council with discretionary powers to reduce the amount of council tax liability in exceptional circumstances, where national discounts and exemptions cannot be applied.
- 1.2 This would only be applied in exceptional circumstances and would then be considered on a case-by-case basis or for several taxpayers who may fall into a group due to similar circumstances e.g. those who have had to leave their home due to flooding or fire, care leavers or foster carers.
- 1.3 Council tax legislation provides a wide range of discounts, exemptions and reductions that have the effect of reducing the level of council tax due. Applicants will therefore be expected to have exhausted all other options before making an application under this policy.
- 1.4 Prior to applying this policy, consideration should be given to whether alternative actions should be undertaken. Therefore, this policy will only consider exceptional circumstances, where it is appropriate and fair to provide a discretionary discount.

2. STATEMENT OF OBJECTIVES

- 2.1 Section 13A discount awards will be awarded when tax payers experience unforeseen or exceptional circumstances that threaten their ability to pay their council tax.
- 2.2 Given that the cost of any such award has to be met by the Borough's council taxpayers, any applications must meet the underlying principle of offering value for money to council tax payers. This will be achieved by asking for a range of information to support each application.
- 2.3 From time to time Government may introduce a specific scheme in response to an event such as a natural disaster (e.g. flooding). Where such schemes are introduced, funding is normally fully met by Government without impact upon the local council taxpayer.
- 2.4 Any such schemes that are introduced, in so far as they fall to be administered under Section 13A of The Local Government Finance Act 1992 (as amended), will be administered in accordance with instructions and guidance set out by Government.
- 2.5 The Council will consider making a Section 13A award to applicants who meet the qualifying criteria set out below. All applicants will be considered on their individual merits.
- 2.6 Sections 3, 4 and 5 of this policy details specific groups of taxpayers who may be entitled to a reduction in accordance with Section 13A.

3. CARE LEAVERS

- 3.1 The Council may reduce to nil the council tax liability of Care Leavers who satisfy all of the following criteria:
- The person is a former relevant Care Leaver as defined within the Children (Leaving Care) Act 2000
 - The person has left care and is aged between 18 and 25
 - The person resides within Halton and is liable to pay council tax to Halton Borough Council with effect from 1st April 2018.
- 3.2 Any award given to an individual case will end on the day before their 25th birthday
- 3.3 Where the Care Leaver is liable for more than one property the discretionary discount will be awarded in respect of only one property, that being the person's sole or main residence.
- 3.4 The amount of discount granted will be the amount of council tax the Care Leaver still has to pay after any existing statutory discounts and council tax support has been taken into account.
- 3.5 Any award given will be automatically granted and any change to the Care Leaver's circumstances during the financial year will be taken into consideration.
- 3.6 Where the Care Leaver is jointly and severally liable with one or more residents, who are not Care Leavers, the amount of council tax payable will be reduced by 50%.

4. FOSTER CARERS

- 4.1 The Council may reduce to nil the council tax liability of Foster Carers who satisfy all of the following criteria:
- The person is available to provide or currently provides foster care services directly on behalf of the Council.
 - The person resides within Halton and is liable to pay council tax to Halton Borough Council from 1st April 2019 onwards.
- 4.2 This discount will not apply to Foster Carers who provide services via an Independent Fostering Agency.
- 4.3 Where the Foster Carer is liable for more than one property, the council tax discount will be awarded in respect of only one property, that being the person's sole or main residence.
- 4.4 The amount of discount granted will be the amount of council tax the Foster Carer still has to pay after any existing statutory discounts and council tax support has been taken into account.

4.5 Where a person commences providing foster care services on behalf of the Council during the financial year and continues to do so for at least three months, they will be awarded the council tax discount for the full financial year.

4.6 Any award given will be automatically granted and any change to the Foster Carer's circumstances during the financial year will be taken into consideration.

5. EMPTY HOMES PREMIUM

5.1 The Council may reduce to nil the Empty Homes Premium when the criteria detailed below is satisfied:

- The residential property is within Halton and is liable for Council Tax from 1st April 2020 onwards.
- The residential property has recently been purchased or inherited and consequently has a new owner.
- The new owner demonstrates proof that the property is undergoing refurbishment to bring it back into a habitable state. This will be in the form of estimates and receipts etc.
- A visiting officer has visited the property and confirmed the refurbishment has commenced.

5.2 Where the residential property has previously been unoccupied and unfurnished for a period of between two and five years, the Empty Homes Premium will be reduced to nil for a period of three months.

5.3 Where the residential property has previously been unoccupied and unfurnished for a period exceeding five years, the Empty Homes Premium will be reduced to nil for a period of six months.

5.4 Once the discount period has expired, the Empty Homes Premium will be payable, providing the property is still empty and unfurnished.

5.5 Should works not be completed and the property is subsequently sold before the discount period has expired, the discount is not transferrable to the new owner.

6. APPLICATION PROCESS

6.1 The features of the Council's Section 13A Discount Policy are that:

- It is discretionary;
- An applicant does not have the statutory right to a payment;
- The operation of the scheme is for the Council to determine;
- The Council may choose to vary the way in which funds are allocated according to community needs;

- Other than the normal appeal against the application of discretionary function by Judicial Review, there is no right to a statutory appeal of any application decision. In the interest of fairness the Council will operate an internal review procedure for appeals in a non-discriminatory way;

6.2 For applications other than those for Care Leavers, Foster Carers or Empty Homes Premium discounts, a form is available from the Council Tax department. Applications should relate to the current council tax year, and should include the following information:

- The reason for the request;
- How long the discount is wanted for;
- The steps that have been taken to meet or mitigate the council tax liability;
- The cost of such a discount.

7. ELIGIBILITY CRITERIA

7.1 There are no pre-set criteria for the award of a Section 13A council tax discount. Each application will therefore be considered on its individual merits.

7.2 In deciding whether to award a Section 13A discount, the applicant's particular circumstances will be considered. The Applicant will therefore be asked to provide supporting evidence to substantiate the answers that they give to the questions above. This may include, but is not limited to:

- Income and expenditure statements;
- Any sources of credit such as debit cards, credit cards, store cards, overdraft facilities and loan arrangements;
- Any financial assistance which is likely to be available to the Applicant from other sources.

7.3 Decisions on eligibility for an award will be made by the Operational Director Finance. All awards will be made by crediting the award value to the council tax account to which it applies.

7.4 The Council will notify the Applicant in writing of the outcome within 20 working days of the date the decision is made. Where the request for an award under Section 13A is unsuccessful or is not met in full, the Council will explain the reasons why the decision was made.

8. THE RIGHT TO APPEAL

8.1 Section 13A awards are administered under the Local Government Finance Act 1992 (as amended) and are not subject to a statutory appeals process. Appeals will therefore be decided by the Council.

- 8.2 The Council will operate the policy for dealing with appeals about either the decision not to make an award or the amount of an award.
- 8.3 An applicant who requires further explanation of a Section 13A Discount decision must request this in writing within 20 days of notification of the decision.
- 8.4 An applicant who disagrees with a decision may appeal the decision within 20 days of the original decision. Where possible, the Council will initially try to resolve the matter by explaining the reasons for the decision to the Applicant in writing.
- 8.5 Decisions on appeals will be made by the Council's Appeals Panel. If it is decided to reject the appeal, the reasons for the decision will be provided to the Applicant in writing within 20 working days.

9. OVERPAYMENTS

- 9.1 If the Council becomes aware that the information contained in an application for a Section 13A Discount award was incorrect or that relevant information was not declared, either intentionally or otherwise, the Council may seek to recover the value of any award made as a result of that application.
- 9.2 The award will be removed from the relevant council tax account and any resulting balance will be subject to the normal methods of collection and recovery applicable to such accounts.

10. FRAUD

- 10.1 The Council is committed to prevent fraud. Any applicant who tries to fraudulently claim a Section 13A discount might have committed an offence under the Fraud Act 2006. If the Council suspects that fraud may have occurred, the matter will be investigated as appropriate and this could lead to criminal proceedings.