

TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE 16 NOVEMBER 2005

REPORT OF THE REVENUES MANAGER

COUNCIL TAX SECTION 13A REDUCTIONS PROCEDURE

This matter is the responsibility of Executive Councillor T Hall (Portfolio Holder for Resources)

EXECUTIVE SUMMARY

The report explains the new Council Tax reductions legislation introduced by the recently added Section 13A of the Local Government Finance Act 1992 and sets out a recommended procedure for determining applications for a reduction.

Members of the Executive are asked to consider and recommend acceptance of the procedure to full Council.

1. BACKGROUND

- 1.1. The Local Government Act 2003 introduced various changes to the Council Tax Legislation. One of these changes added a new section, '13A – Billing authority's power to reduce amount of tax payable', to the Local Government Finance Act 1992.
- 1.2. The new powers granted under Section 13A allow the billing authority to reduce the Council Tax payable either for specific classes of cases, as determined by the billing authority, or for individual cases. The billing authority has the power to either reduce or cancel the amount of Council Tax payable.
- 1.3. The intention behind this new legislation is to allow billing authorities to create local discounts or exemptions in order to cater for local circumstances e.g. flooding. The drawback is that the cost of awarding any such reduction has to be wholly funded by the billing authority. No provision is made for the other precepting authorities to contribute.
- 1.4. Consequently the financial implications of any decision to create a class of reduction have to be considered in detail before any such a reduction is created. Therefore it is anticipated that such reductions will only be awarded in exceptional circumstances.
- 1.5. The new legislation allows for applications to be made either for the creation of specific classes of reductions or for reductions in individual cases. We are starting to receive such applications and consequently need to have an agreed process in place to deal with them.

2. THE RECOMMENDED PROCEDURE

- 2.1. We currently have some 46,000 domestic properties within Taunton Deane. Theoretically therefore we could receive a large number of applications for reductions. Consequently it is not feasible to have members consider each individual application. We must also bear in mind that many of the applicants may be supplying sensitive information, which they may not wish to be publicised.
- 2.2. The system of delegation detailed below should ensure that proper and consistent consideration is given to all applications, the financial implications are considered and that members have the final say in deciding upon the creation of specific classes of reductions.

2.3. *Procedure for creating & determining applications for specific classes of reduction*

- 2.3.1. The power to consider and decline applications for the creation of specific classes of reduction should be delegated to the Section 151 Officer and the relevant portfolio holder for Revenues.
- 2.3.2. Where both the Section 151 Officer and the relevant portfolio holder for Revenues decide that consideration should be given to creating a specific class of reduction a recommendation should be made to the Executive. The Executive should have the delegated power to create, amend or cancel any specific class of reduction.
- 2.3.3. Once a specific class of reduction has been agreed by the Executive individual applications in respect of that class are to be considered by the Revenues unit. The Revenues unit should have the delegated power to determine individual applications within an agreed class of reduction.

2.4. *Procedure for determining individual one-off applications for reductions*

- 2.4.1. The power to determine individual one-off applications (i.e. all applications other than those to create a specific class of reduction or for a reduction under a specific class) should be delegated to the Section 151 Officer. (This is consistent with our approach to dealing with Hardship Relief applications for Business Rates).

3. CONCLUSIONS

- 3.1. The new legislation requires Taunton Deane, as a billing authority, to consider and determine applications for Section 13A reductions.
- 3.2. The Council is potentially faced with receiving a large number of such applications. Consequently we need to be able to process applications quickly whilst ensuring consistency in approach and giving due consideration to the financial implications.

4. RECOMMENDATIONS

- 4.1. Members of the Executive are asked to recommend to full Council that they authorise the procedure and the delegation of powers, as outlined in Section 2 above, for considering applications for Section 13A Reductions.

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