



Council Tax

Discretionary Discount Guidelines

(under Section 13A(1)c of Local Government Finance Act 1992)

Version 2.1

September 2024

Version	Date	Reference	Comment / Amendments
1.0	26/03/2013	DED 0197 2012/13	
1.1	23/05/2018	CORP000326	Care leavers added. Minor drafting changes.
1.2	26/02/2020	Cabinet	Amended criteria for care leavers, minor drafting changes and amended job titles.
1.3	14/08/2020		Temporary discounts as a result of the coronavirus pandemic. Rebranding.
1.4	Nov 2021		Temporary discounts moved to Annex 1.
1.5	Sept 2022		Homes for Ukraine scheme inserted.
2.0	05/04/2023	CORP001299	Temporary Council Tax Support Fund inserted to Annex 1.
2.1	05/10/2024	CORP001536	<ul style="list-style-type: none"> • Removal of the transitional section for Care Leavers which no longer applies. • Replace Executive Director with Director of Finance. • Add new temporary discount for pension-age residents in receipt of tax credits. • Renumbering

Council Tax

Discretionary Discount Guidelines



Introduction

1. The Local Government Finance Act 1992 (amended) provides billing authorities with additional discretionary powers to reduce Council Tax liability where national discounts and exemptions cannot be applied. This can relate to individuals or groups of taxpayers who have similar circumstances.
2. Council Tax legislation provides a range of discounts, exemptions and reductions that have the effect of reducing the amount of Council Tax due. Applicants should claim these discounts first before applying for a discretionary discount.
3. The cost of providing a discount is normally met by the local authority and the decision to provide a discount will be considered against the needs of other local taxpayers. This guidance will consider applications in respect of the following circumstances:
 - (a) Exceptional financial hardship
 - (b) Care leavers
 - (c) Uninhabitable properties damaged by fire or flooding
 - (d) Homes for Ukraine
 - (e) Other situations
4. [Annex 1](#) provides details of temporary Council Tax discounts that apply to specific financial years.

Exceptional Financial Hardship

5. St Helens Borough Council has a local Council Tax Reduction scheme which provides support, through a discount, to those deemed to be in financial need. The scheme has been designed to consider the financial and specific circumstances of households by applying applicable amounts, premiums and income disregards.
6. Applicants are expected to have applied for Council Tax Reduction before making an application for exceptional financial hardship. They will also be expected, where possible, to be taking proactive action to alleviate their current financial hardship, including:
 - (a) seeking new employment opportunities
 - (b) working additional hours
 - (c) moving to a lower banded property

- (d) reducing outgoings
 - (e) maximising benefit entitlement.
7. Priority will be given to applicants who are unable to work due to long-term sickness, disability or caring responsibilities.
 8. Applications for exceptional financial hardship should be made in writing, using the approved online form at www.sthelens.gov.uk/counciltax. Information provided on other application forms for financial support, e.g. Discretionary Housing Payments (DHP), local welfare assistance or Household Support Fund may also be used to consider an applicant's eligibility.
 9. Applications for ongoing support will be considered on a case-by-case basis taking into account the following factors:
 - (a) Current household composition and specific circumstances including disability or caring responsibilities.
 - (b) Current financial circumstances. The applicant will be expected to provide details of their income and outgoings. In considering an applicant's financial circumstances it is expected that priority debts (e.g. Council Tax, rent or mortgage payments) are prioritised over unsecured loans.
 - (c) Action(s) being taken by the applicant to alleviate any shortfall between income and outgoings.
 - (d) Alternative means of support that may be available to the applicant, including:
 - (i) re-profiling Council Tax payments or other debts
 - (ii) applying for a Discretionary Housing Payment
 - (iii) maximising entitlement to other welfare benefits
 - (iv) reassessing spending priorities.
 10. The period and level of the discretionary discount will be determined based on the criteria in paragraph 9 above. In certain circumstances, it may be appropriate to refer the applicant for financial literacy, money advice or a debt advice service prior to making a decision.
 11. Where an applicant has historic Council Tax debts, their personal circumstances and any contributing factors which allowed the arrears to accumulate will be considered in addition to their current financial circumstances.

Care Leavers

12. Since 1 March 2020, a discretionary Council Tax discount is available to all care leavers aged between 18 and 24 years living in the borough. The discount will cease on a care leaver's 25th birthday.
13. To apply a care leaver must have been in care on or after their 16th birthday and for at least 13 weeks (continuous or not) anytime from the age of 14.
14. Discounts will be awarded as follows:
 - (a) Sole occupancy - a 100% discount, (75% discretionary and 25% sole occupancy discount) will be available to care leavers where they are the only adult, aged 18 years or over, living in a property.
 - (b) Joint occupancy - a 25% discount will apply to Council Tax accounts where a single occupancy discount or similar relief could have been applied, had the care leaver not been resident.
15. Applicants will be required to complete a *Care Leaver's Discount Form*. The application will be verified with information held by the People's Services Department or the relevant local authority.
16. The discount will normally apply from the date of application. Backdate requests will be considered based on an applicant's individual circumstances including the level of any Council Tax arrears.

Uninhabitable properties damaged by fire or flooding

17. We will consider requests for relief from other persons, who through no fault of their own, have experienced a crisis or event that has made their property uninhabitable (e.g. fire, flood or other natural disaster) and where the taxpayer remains liable to pay Council Tax and for which they have no recourse for compensation. Applications under this category will normally require a property to be inspected prior to relief being awarded.
18. The Director of Finance, or nominee, will consider applications based on an individual's circumstances. In reaching a decision, consideration will be made whether it is appropriate to award a discretionary discount having considered the needs of local taxpayers.

Homes for Ukraine

19. Residents who qualify under the Homes for Ukraine Sponsorship Scheme, or remain a sponsored household under the scheme, may be eligible for a discretionary Council Tax discount in addition to any disregards applied in accordance with the legislation where they become liable to pay Council Tax during the period.

Other circumstances

20. We will consider other applications on a case-by-case basis. Applications should be made in writing detailing the reasons why a discretionary discount should be awarded.
21. The Director of Finance, or nominee, will consider applications based on an individual's circumstances. In reaching a decision, consideration will be made whether it is appropriate to award a discretionary discount having considered the needs of local taxpayers.

Decisions and appeals

22. We will notify the applicant within 28 days of receiving enough information to make a decision,
23. If an applicant is not satisfied with the decision, they can request in writing within 28 days for the decision to be independently reviewed. If they are still not satisfied with the decision they may, in certain circumstances, be allowed to make an appeal to the Valuation Tribunal Service.

Reporting changes in circumstances

24. Applicants must report relevant changes in their circumstances within 21 days of a change occurring. Failure to promptly report a relevant change in circumstance may result in a fine being issued.

Fraudulent Claims

25. Anyone who tries to claim a discretionary discount under these guidelines by falsely declaring their circumstances or providing a false statement or evidence may have committed an offence under the Fraud Act 2006. St Helens Borough Council will investigate all allegations of fraud and may take criminal proceedings or apply other sanctions in appropriate circumstances.

Temporary arrangements

St Helens Borough Council will use its discretionary powers under section s13(1A)(c) of the Local Government Finance Act 1992, to provide the following additional support to residents in receipt of Council Tax Reduction, as follows:

Period: 1 September 2024 to 31 March 2025:

Pension-age households in receipt of tax credits and Council Tax Reduction

The government has announced that the tax credit system will close in April 2025. From September 2024, pension-age households in receipt of tax credits will be invited to claim either Pension Credit or Universal Credit depending on their circumstances.

Legislation prevents the pension-age Council Tax Reduction scheme from being applied to Universal Credit applicants or for a billing authority to amend its local scheme during the financial year.

If a pension-age household is required to claim Universal Credit, a discretionary discount will be provided to ensure that they receive the same level of Council Tax Reduction had they been assessed under the pension-age scheme.

Period: 1 April 2023 to 31 March 2024:

Cost of Living - Council Tax Support Fund

In recognition of rising Council Tax bills, due to an increase in the referendum limit, the government has provided an additional £100m to billing authorities to provide additional support to households in receipt of Council Tax Reduction during 2023/24.

The government expects billing authorities to use most of their funding allocation to reduce bills for residents in receipt of Council Tax Reduction by up to £25 (or their annual Council Tax liability if it is less than £25) at annual billing. Billing authorities will be able to use the remaining allocation as they see fit to support vulnerable households with Council Tax bills, including deciding how to treat residents who become eligible for Council Tax Reduction during the financial year.

St Helens Borough Council will automatically apply a Council Tax discount of up to £30 (or the annual Council Tax liability if it is less than £30) to residents in receipt of Council Tax Reduction at annual billing. It will also automatically apply the discount to new qualifiers during the year, subject to available funding.

Any remaining grant will be used to support financially vulnerable households including discounts under the exceptional financial hardship section of these guidelines.

Period: 1 April 2020 and 30 March 2021:

COVID-19 Hardship Fund

The Government provided £500m funding to billing authorities in England to provide support to economically vulnerable council taxpayers and households in their area. In accordance with guidance, St Helens Borough Council initially provided a discretionary discount of up to £150 for working-age households in receipt of Council Tax Reduction. This discount was funded from government grant.

Council Tax Reduction - Working Tax Credit

On 23 March 2020, the government announced a temporary increase of £1,045, to £3,040, to the basic element of Working Tax Credit from 6 April 2020 until 5 April 2021.

The Council Tax Reduction Scheme 2020-21 was approved on 4 March 2020 and provides a weekly earnings disregard of £17.10 per week for those in receipt of Working Tax Credit (Schedule 7, paragraph 18). Legislation currently prevents the scheme from being amended during a financial year.

As a result of the temporary increase to Working Tax Credit, St Helens Borough Council will provide an additional discretionary disregard of £20.00 per week to ensure that eligible claimants continue to receive the same level of Council Tax Reduction support as they would have prior to the change.