

**Council Tax
Discretionary
Reduction Policy and
Business Rates
Hardship Relief Policy**

Altogether better



Contents

1. Introduction and Purpose of Policy Document

2. Council Tax – Discretionary Reduction Policy

2.1 Introduction

2.2 Legislation

2.3 Durham County Council Policy

2.4 Criteria

2.5 Claiming a Council Tax Reduction

2.6 The Decision Making Process

2.7 Review of Decision

3. Business Rates – Hardship Relief

3.1 Introduction

3.2 Legislation

3.3 Durham County Council Policy

3.4 Criteria

3.5 Period of Hardship Relief

3.6 Examples of Appropriate Circumstances

3.7 Claiming a Reduction due to Hardship

3.8 The Decision Making Process

3.9 Review of Decision

1. Introduction and Purpose of Policy Document

- 1.1 This policy has been designed to ensure that all customers making an application for relief are treated in a fair, consistent and equal manner.
- 1.2 This policy has been written to:
- Set guidelines for the factors that should be considered when making a decision to award or refuse an application
 - Set out the delegated authority to award relief in appropriate circumstances;
 - Establish an appeals procedure for customers dissatisfied with a decision;
 - Safeguard the interest of the local taxpayers by ensuring that funds that are allocated for the award of relief are used in the most effective and economic way.

2. Council Tax Discretionary Reduction Policy

2.1 Introduction

- 2.1.1 Councils have the power to reduce the amount of Council Tax a person has to pay to such an extent as they see fit. This power includes the power to reduce an amount to nil, and may be exercised in relation to particular cases or by determining a class of property in which liability is to be reduced to an extent provided for by the determination.
- 2.1.2 This will incorporate the Localised Council Tax Support Scheme and Council Tax Technical Changes introduced from 1st April 2013.

2.2 Legislation

- 2.2.1 The provisions are set out in Section 13A (1) (c) of the Local Government Finance Act 1992.

2.3 Durham County Council Policy

- 2.3.1 Durham County Council has not defined any specific class of property on which to award a section 13A discount. Applications for a reduction will usually only be considered in individual cases where severe hardship or extenuating circumstances can be demonstrated.

2.4 Criteria

2.4.1 Each application will be considered on its merits with issues that will need to be considered on each occasion including:-

- All applications should be made in writing from the council tax payer, their advocate/appointee or a recognised third party acting on their behalf, using the relevant form and contain the necessary information including a full financial statement.
- All applications are only intended as short term assistance and will not extend beyond the current financial year, and should not be considered as a way of reducing council tax liability indefinitely.
- Hardship relief or remission will be the exception and not the rule.
- There must be evidence of hardship or personal circumstances that justifies a reduction in council tax liability.
- The Council must be satisfied that the council tax payer has taken reasonable steps to resolve their situation prior to application.
- The Council's finances allow for a reduction to be made and it is reasonable to do so in light of the impact on other council tax payers.
- The council tax payer does not have access to other assets that could be realised and used to pay council tax.
- All other eligible discounts/reliefs have been awarded to the council tax payer.
- The liable person for an unoccupied domestic property has made their best efforts to sell or let the property and to levy a council tax charge would cause them exceptional financial hardship.

2.4.2 In all cases relief will end in the following circumstances:

1. At the end of a financial year
2. There is a change of liable person
3. The council tax payer enters any form of formal insolvency
4. The council tax payer's financial circumstances significantly change.

2.5 Claiming a Council Tax Reduction

- 2.5.1 A claim must be made on an approved application form (see attached). This application form and any supporting information should be completed and returned to:-

Durham County Council
Revenues and Benefits
PO Box 238
Stanley
Co Durham
DH8 1FP

- 2.5.2 It is the responsibility of the council tax payer applying for relief to provide sufficient information and documentary evidence to support their applications. If the council tax payer applying does not or will not provide the required evidence; we will still consider the application but only on the basis of the information and evidence provided.

2.6. The Decision Making Process

- 2.6.1 Upon receipt of a signed application, all supporting information must be included for consideration as follows:
- Initial applications will be considered by Revenues Team Manager within 14 days of receipt of a signed application and all supporting information. This will include a review sheet, with findings and financial implications and initial recommendations.
 - Recommendations will then be forwarded to Revenues & Benefits Manager via the Revenues Manager within 7 days.
 - These will then be forwarded to Head of Finance (Financial Services) for approval/refusal within 7 days.
 - Once decision has been approved the council tax payer will be advised in writing of the decision within 28 days of DCC receiving sufficient information and revised council tax demand notices will be issued where applicable.

2.7. Review of Decision

- 2.7.1 Under the Local Government Finance Act 1992, there is no right of appeal against the Council's use of discretionary powers. However, the Council will accept a request from a council tax payer for a re-determination of its decision.

- Re-determination of the decision will be by the Corporate Director, Resources.
- The Council will consider whether the council tax payer has provided any additional information that will justify a change to its original decision.
- The Council will notify the council tax payer of its decision within 21 days of receiving a request for a re-determination.

3. Policy for the Award of Hardship Relief for Business Rates

3.1 Introduction

- 3.1.1 Councils have the power to reduce or remit the business rate charge where it considers that 'hardship' would otherwise be caused to the ratepayer.

3.2 Legislation

- 3.2.1 The provisions are set out in Section 49 of the Local Government Finance Act 1988.

3.3 Durham County Council Policy

- 3.3.1 Applications to reduce or remit the business rate charge will only be considered where the Council is satisfied that the rate payer would otherwise sustain hardship and that it is reasonable to grant relief having regard to the interest of council tax payers who are affected by decisions under this section. This is because the cost of exercising this power has to be partly funded by the Council through general fund expenditure.

3.4 Criteria

- 3.4.1 Each application for hardship will be considered on its merits with issues that will need to be considered on each occasion including:-
- All applications should be made in writing from the rate payer, their advocate/appointee or a recognised third party acting on their behalf, using the relevant form and contain the necessary information.
 - All applications are only intended as short term assistance and will not extend beyond the current financial year, and should not be considered as a way of reducing Business Rate Liability.
 - Hardship relief or remission will be the exception and not the rule.

- The financial interests of the council tax payers will not be the overriding factor e.g. employment and amenities provision will also be taken into account.
- Where the granting of relief will have an adverse effect on the financial interests of the council tax payers, relief may still be granted if the case for relief on balance outweighs the costs to taxpayers.
- The potential amount of any relief may in some cases constitute state aid and therefore adherence to EU regulations must be followed.
- The test of hardship will include an assessment of the ratepayer's individual accounts to verify that the payment of rates would cause hardship.
- The assessment of the accounts will identify the cause of the business failings and a simple accounting calculation will be carried out as follows:
 - % of Rates to Sales
 - % of Rates to Gross Profit
 - % of Rates to Expenditure
 - Ratio of Current Assets to Current Liabilities
 - Ratio of Current Assets less Stock to Current Liabilities
 - Relief will normally only be awarded retrospectively. However, where the ratepayer can show that the circumstances will remain the same for a period up to the end of the current financial year relief may be award for the remainder of the year.

3.5 Period of Hardship Relief

3.5.1 In all cases relief will end in the following circumstances:

- At the end of a financial year
- A change of liable person
- The property becomes empty, or become occupied
- The ratepayer enters any form of formal insolvency

- The ratepayer's financial circumstances significantly change (the ratepayer must inform the council if their circumstance change e.g. change in rateable value)

From the assessment of the above criteria, the Council will determine if the business is suffering from financial hardship due to the payment of Business Rates.

3.6 Examples of Appropriate Circumstances

3.6.1 The following examples indicate circumstances where it may be appropriate to award relief. They are included in this policy in the form of broad general guidelines and are not intended to be prescriptive.

- a) Without rate relief the business will close and deprive local residents of an essential service and protecting employment.
- b) The ratepayer's business has been detrimentally affected by circumstances beyond the ratepayers control and that do not constitute part of the normal risks in running a business (e.g. a natural disaster, an unusual or uncontrollable event in the neighbourhood of the business such as a fire making the immediate area of the business unsafe).

N.B. in addition, it must be in the interest of the community as a whole for Hardship relief to be granted.

3.7 Claiming a Reduction due to Hardship

3.7.1 A claim must be made on an approved application form. This application form and any supporting information should be completed and returned to:-

Durham County Council
Revenues and Benefits
PO Box 238
Stanley
Co Durham
DH8 1FP

3.7.2 It is the responsibility of the ratepayer applying for relief to provide sufficient information and documentary evidence to support their applications. If the ratepayer applying does not or will not provide the required evidence, we will still consider the application but only on the basis of the information and evidence provided.

3.8 The Decision Making Process

3.8.1 Upon receipt of written application form, all supporting information must be included for consideration.

- Initial applications will be considered by Revenues Team Manager (NNDR) within 14 days of receipt of a signed application and all supporting information. This will include a review sheet, with findings and financial implications and initial recommendations
- Recommendations will then be forwarded to Revenues & Benefits Manager via the Revenues Manager within 7 days.
- These will then be forwarded to Head of Finance (Financial Services) for approval/refusal within 7 days.
- Once decision has been approved the ratepayer will be advised in writing of the decision within 28 days of DCC receiving sufficient information and revised NNDR demand notices will be issued where applicable.

3.9 Review of Decision

3.9.1 Under the Local Government Finance Act 1988, there is no right of appeal against the Council's use of discretionary powers. However, on individual discounts, the Council will accept a request from a ratepayer for a re-determination of its decision.

- Re-determination of the decision will be by the Corporate Director.
- The Council will consider whether the ratepayer has provided any additional information that will justify a change to its original decision.
- The Council will notify the ratepayer of its decision within 21 days of receiving a request for a re-determination.

Application for Council Tax Reduction under Section 13A of the Local Government Finance Act 1992

*Please note that if a joint bill has been issued then the application must also be made in joint names

Name of applicant/s:

Contact Address:

Telephone:

Email Address

Address of property for which relief is being claimed:

Owners Name/s:

Is the property currently vacant? YES/NO

What is the value of equity in the property? £

Is the property currently marketed for sale? *YES/NO

*Please provide details of marketing agent/ estate agent for the property

Is the property currently marketed for rent? *YES/NO

*Please provide details of marketing agent/ estate agent for the property

Please provide details of any other properties owned by yourself and value of any rental income you are in receipt of

If you have left a property empty to move to more suitable accommodation or to receive or provide care due to old age, disablement, illness, alcohol or drug abuse or mental disorder, then please provide details below

Please provide the detailed reasons why you are applying for a reduction in Council Tax. This should fully explain the circumstances that are creating financial difficulty and how long you expect these circumstances to continue.

Has an application for Council Tax Support been made? YES/NO

Are you receiving financial assistance from any other source? *YES/NO

*please provide details:

Have you approached any organisation to assist with your current financial situation such as Citizen Advice Bureau/ Welfare Rights etc? *YES/NO

*please provide details?

Please provide details of any stocks/shares/savings/ money you may have or money you are owed

Please provide any additional information you wish to provide in support of your application

Your application will not be processed unless the enclosed financial information sheet is completed and returned.

All applicants must provide documentary evidence in support of their claim. At a minimum these should include the following:-

- Confirmation of all income received
- Bank Statements
- Any additional information to support the application
- Written Details of any Savings/Stocks/Shares

I declare that the information given on this form is, to the best of my knowledge, accurate and complete.

I understand that a copy of this form may also be sent to the Welfare Rights who may be able to offer me further advice and assistance.

I also understand that whilst this application for relief is pending I am not entitled to withhold payment of Council Tax due to the Council.

Signed:

Capacity of person signing:

Date:

Daytime telephone number:

**Please return your completed form to:-
Durham County Council
Revenues and Benefits
PO Box 238
Stanley
County Durham
DH8 1FP**

If you have any queries relating to completion of the form please do not hesitate to contact us.

For information: In line with Data Protection law we may use information you give us to prevent or detect fraud or other crimes. We may also share it with other Council Services or public organisations if they need it to carry out their legal duties.

FINANCIAL INFORMATION SHEET

Revenues and Benefits
PO Box 238
Stanley
County Durham
DH8 1FP

Tel: 03000 265000
On Line: www.durham.gov.uk/counciltax



CTHARDSHP

Name of Owner 1:
Address of Owner 1:

Income	Amount	Weekly/Monthly
Wages	£	
JSA/Income Support	£	
Working Tax Credit	£	
Disabled Tax Credit	£	
Child Tax Credit	£	
Retirement Pension	£	
Works Pension	£	
Guaranteed Pension Credit	£	
Savings Credit	£	
Child Benefit	£	
Incapacity Benefit/ESA	£	
Maintenance	£	
Non Dependant Contribution	£	
D L A	£	
Any Other Income	£	
Total Income	£	

Expenditure	Amount	Weekly/Monthly
Rent/Mortgage	£	
Council Tax	£	
Water Rates	£	
House Insurance	£	
Life Insurance	£	
Gas/Electricity/Fuel	£	
Housekeeping/Fuel	£	
Telephone/Mobile	£	
TV Rental	£	
TV Licence	£	
Travel Expenses	£	
Car Running Costs (Petrol, Oil etc.)	£	
Car Insurance	£	
Car Tax	£	
Car Repayments	£	
Catalogues	£	
Loans	£	
Credit/Store Cards	£	
Hire Purchase/Credit Repayments	£	
Fines	£	
Child Care	£	
Clothing	£	
Other Expenses (please specify)	£	
Total Expenditure	£	

I hereby certify that the above information is an accurate record of my present financial position.

Signed

Dated

.....

FINANCIAL INFORMATION SHEET

Revenues and Benefits
PO Box 238
Stanley
County Durham
DH8 1FP

Tel: 03000 265000
On Line: www.durham.gov.uk/counciltax



CTHARDSHP

Name of Owner 2:
Address of Owner 2:

Income	Amount	Weekly/Monthly
Wages	£	
JSA/Income Support	£	
Working Tax Credit	£	
Disabled Tax Credit	£	
Child Tax Credit	£	
Retirement Pension	£	
Works Pension	£	
Guaranteed Pension Credit	£	
Savings Credit	£	
Child Benefit	£	
Incapacity Benefit/ESA	£	
Maintenance	£	
Non Dependant Contribution	£	
D L A	£	
Any Other Income	£	
Total Income	£	

Expenditure	Amount	Weekly/Monthly
Rent/Mortgage	£	
Council Tax	£	
Water Rates	£	
House Insurance	£	
Life Insurance	£	
Gas/Electricity/Fuel	£	
Housekeeping/Fuel	£	
Telephone/Mobile	£	
TV Rental	£	
TV Licence	£	
Travel Expenses	£	
Car Running Costs (Petrol, Oil etc.)	£	
Car Insurance	£	
Car Tax	£	
Car Repayments	£	
Catalogues	£	
Loans	£	
Credit/Store Cards	£	
Hire Purchase/Credit Repayments	£	
Fines	£	
Child Care	£	
Clothing	£	
Other Expenses (please specify)	£	
Total Expenditure	£	

I hereby certify that the above information is an accurate record of my present financial position.

Signed

Dated

.....
.....

Application for Non Domestic Rates reduction under Section 49 of the Local Government Finance Act 1988

*Please note that if a joint bill has been issued then the application must also be made jointly.

Name of applicant/s:

Contact Address:

Telephone:

Email Address

Address of property for which relief is being claimed:

Owner/Leasee Name/s:

Length of time remaining on lease

Is property currently vacant? YES/NO

Date Property became vacant:

To be completed if ratepayer is Owner of Property:

What is the value of equity in the property? £

Is the property currently marketed for sale? *YES/NO

*Please provide details of marketing agent/ estate agent for the property

Please provide details of any steps taken to either let or sell property

To be completed by ratepayer:

What is the main activity of the business?

How many people are employed by the business?

Please detail any other steps taken to reduce rate bill through reliefs with Durham County Council

Please outline the circumstances that are causing financial issues for your business

How are these circumstances affecting your financial situation?

How long do you expect your current circumstances to continue and have you a business plan in place, to improve the situation?*

*Please provide a copy of your business plan.

Are you receiving financial assistance from any other source? *YES/NO *please provide details:

How do you think local residents and or business benefit from the services your business provides?

Please provide details of any other properties owned by yourself or partners

Do you own any other businesses and if so what are their financial circumstances?

Have you approached any organisation to assist with your current financial situation? *YES/NO
*please provide details

Please provide details of any stocks/shares/savings/ money you may have or money you are owed

Please give any additional information you wish to provide in support of your application

Continue on separate sheet if necessary*

Your application will not be processed unless the enclosed financial information sheet is completed and returned.

*All applicants must provide documentary evidence in support of their claim. At a minimum these should include the following:-

- Confirmation of all income received with bank statements
- Copies of professionally prepared accounts
- Cash Flow Statement
- A financial projection of the next trading period with any order books you may have.
- Any additional information to support the application
- Written Details of any Savings/Stocks/Shares

Note: each owner should complete the financial information form. If there are more than 2 owners then each additional owner should supply the information requested.

I declare that the information given on this form is, to the best of my knowledge, accurate and complete.

I understand that a copy of this form may also be sent to the Welfare Rights who may be able to offer me further advice and assistance.

I also understand that whilst this application for relief is pending I am not entitled to withhold payment of council tax due to the Council.

Signed:

Capacity of person signing:

Date:

Daytime telephone number:

**Please return your completed form to:-
Durham County Council**

**Revenues and Benefits
PO Box 238
Stanley
County Durham
DH8 1FP**

**If you have any queries relating to completion of the form please do not
hesitate to contact us.**

For information: In line with Data Protection law we may use information you give us to prevent or detect fraud or other crimes. We may also share it with other Council Services or public organisations if they need it to carry out their legal duties.

FINANCIAL INFORMATION SHEET FOR SOLE TRADERS/PARTNERSHIPS

Revenues and Benefits
PO Box 238
Stanley
County Durham
DH8 1FP

Tel: 03000 265 000
On Line: www.durham.gov.uk/businessrates



Name Of Ratepayer 1:
Address of Ratepayer 1:

Income	Amount	Weekly/Monthly
Income from Business/Wages	£	
JSA/Income Support	£	
Working Tax Credit	£	
Disabled Tax Credit	£	
Child Tax Credit	£	
Retirement Pension	£	
Works Pension	£	
Guaranteed Pension Credit	£	
Savings Credit	£	
Child Benefit	£	
Incapacity Benefit/ESA	£	
Maintenance	£	
Non Dependant Contribution	£	
D L A	£	
Any Other Income	£	
Total Income	£	

Expenditure	Amount	Weekly/Monthly
Rent/Mortgage	£	
Council Tax	£	
Business Rates	£	
Water Rates	£	
Life Insurance	£	
House Insurance	£	
Gas/Electric/Fuel	£	
Housekeeping	£	
Telephone	£	
TV Licence	£	
Travel Expenses	£	
Car Running Costs (Petrol, Oil etc.)	£	
Car Insurance	£	
Car Tax	£	
Car Repayments	£	
Catalogues	£	
Loans	£	
Credit/Store Cards	£	
Hire Purchase/Credit Repayments	£	
Fines	£	
Child Care	£	
Clothing	£	
Other Expenses (please specify)	£	
Total Expenditure	£	

I hereby certify that the above information is an accurate record of my present financial position.

Signed
Dated

FINANCIAL INFORMATION SHEET

Revenues and Benefits
PO Box 238
Stanley
County Durham
DH8 1FP

Tel: 03000 265 000
On Line: www.durham.gov.uk/businessrates



Name Of Ratepayer 2:
Address of Ratepayer 2:

Income	Amount	Weekly/Monthly
Income from Business/Wages	£	
JSA/Income Support	£	
Working Tax Credit	£	
Disabled Tax Credit	£	
Child Tax Credit	£	
Retirement Pension	£	
Works Pension	£	
Guaranteed Pension Credit	£	
Savings Credit	£	
Child Benefit	£	
Incapacity Benefit/ESA	£	
Maintenance	£	
Non Dependant Contribution	£	
D L A	£	
Any Other Income	£	
Total Income	£	

Expenditure	Amount	Weekly/Monthly
Rent/Mortgage	£	
Business Rates	£	
Council Tax	£	
Water Rates	£	
House Insurance	£	
Life Insurance	£	
Gas Electric Fuel	£	
Housekeeping Fuel	£	
TV Licence	£	
Travel Expenses	£	
Car Running Costs (Petrol, Oil etc.)	£	
Car Insurance	£	
Car Tax	£	
Car Repayments	£	
Catalogues	£	
Loans	£	
Credit/Store Cards	£	
Hire Purchase/Credit Repayments	£	
Fines	£	
Child Care	£	
Clothing	£	
Other Expenses (please specify)	£	
Total Expenditure	£	

I hereby certify that the above information is an accurate record of my present financial position.

Signed
Dated

.....