

Council Tax Discretionary Discount (Section 13A)

1. Introduction

Bury Metropolitan Borough Council is committed to the fair and transparent administration of Discretionary Rate Relief on National Non-Domestic Rates (NNDR) for qualifying organisations operating within the borough and Council Tax Discretionary Discount for council taxpayers.

This policy outlines the principles and criteria guiding the award of Discretionary Rate Relief, in accordance with the Local Government Finance Act 1988 (as amended). While Discretionary Rate Relief is discretionary, this document provides a framework to support consistent decision-making without limiting the Council's ability to exercise discretion.

Discretionary Rate Relief is a financial award by which certain businesses and organisations are granted relief on all or part of the NNDR which they are required to pay, in addition to any statutory relief (known as Mandatory Rate Relief) to which such organisations may be entitled.

This policy also outlines the principles and criteria guiding the award of Council Tax Discretionary Discount, in accordance with Section 13A (1) (c) Local Government Finance Act 1992.

2. Care Leavers Discount

Since the 1st April 2018 the Council has exercised its discretionary power under Section 13A (1) (c) Local Government Finance Act 1992 to award a partial or full Council Tax Discretionary Discount to care leavers aged 18 to 25 years.

To qualify for this discount, you must:

- be under 25 years of age
- have a Council Tax bill from Bury Council in your name
- have been in care, with any local authority, on or after your 16th birthday
- have been in care for at least 13 weeks (continuous or not) anytime from the age of 14

If your name is not on the Council Tax bill, we cannot award a discount.

The council tax discount took effect from 1st April 2018. Care leavers who become liable for council tax after this date will be granted the discount from the date of occupation.

For anyone already living independently prior to 1st April 2018 but not yet 25, the discount will be applied from 1st April 2018 up to their 25th birthday or until they cease to be liable for council tax.

The level of discount applied will be 100% of any council tax liability after any entitlements to any national reliefs, exemptions or other discounts (including single person discount) have been calculated and awarded.

If subsequent to an award, the care leaver's liability for council tax reduces for example if the care leaver becomes entitled to a single person's discount, the care leaver discount will be amended to ensure the award does not exceed the care leaver's council tax liability.

Where awarded the discount will remain in force until the care leaver reaches the age of 25 or ceases to become responsible for council tax, whichever date occurs first. In these circumstances the annual bill is apportioned.

3. Special Constables Discount

Since the 1st April 2020 the Council has exercised its discretionary power under Section 13A (1) (c) Local Government Finance Act 1992 to award a 50% Council Tax Discretionary Discount to Special Constables living in Bury.

To qualify for this discount, you must be:

- responsible for paying the Council Tax at an address in the borough
- in the role of a Special Constable for a Police force and you;
- have completed the required training
- are spending a minimum of 16 hours a month in the role.

There can only be one Special Constable discretionary discount per household.

The level of discount applied will be a maximum of 50% of any council tax liability and includes any other national reliefs, exemptions or other discounts your household is eligible for.

10. Council Tax Hardship Relief

The Council can exercise its discretion under Section 13A (1) (c) Local Government Finance Act 1992 to award partial or full Council Tax Discretionary Discount in exceptional circumstances, where a person is in financial need and it is considered reasonable to do so.

The Council will look at each case on its own merits and will consider various factors which may include some of the following considerations:

- entitlement to all other eligible discounts / reliefs / income / welfare benefits must have been explored/claimed before making a claim for Section 13A.
- evidence that the application is for exceptional circumstances, which are unexpected and unforeseen.
- we must be satisfied that the applicant has taken or will be taking all reasonable steps to resolve the situation (for example consideration of moving to a lower banded property or lowering the price of a property for sale).
- the amount outstanding must not be the result of wilful refusal to pay or culpable neglect. Arrears built-up as a result of non-payment will not qualify for this reduction.
- the taxpayer must not have access to other assets that could be used towards their council tax liability.
- whether the situation can be resolved by some other legitimate means for example postponing payment pending sale or extending instalments.
- any social or health issues currently being faced by the resident and/or their immediate family. For example, the effect the situation is having on vulnerable members of the family.
- other evidence in support of an application (such as information from professional bodies, e.g. a doctor or social worker).
- where applicable, confirmation of what information/advice has been sought and obtained previously, for example from the C.A.B or other welfare organisations.

3. Applications and review process

Business Rates Discretionary Rates Relief

All applications for Discretionary Rate Reliefs should be made using the Council's application forms.

The Council will also require evidence to support applications,

- The organisation's main purposes and objectives set out in, a written constitution, a memorandum of association, or set of membership rules;
- A full set of audited accounts relating to the two years preceding the date of application. Where audited accounts are not available for the current financial year, projected figures should be provided instead; and
- Details of how the organisation meets the criteria outlined in these guidelines.

Any additional information required should be submitted when requested, failure to provide the requested information may result in your application being delayed or ultimately refused.

Applications may be considered against any national reliefs that are available in the first instance.

If a ratepayer is not satisfied with the decision they can request, in writing within 21 days, for the decision to be reviewed. If they are still not satisfied with the decision after the review has taken place they retain the right to make a complaint under the Council's Corporate Complaints Procedure.

The council may request further information from a ratepayer in connection with any request to reconsider a decision.

Council Tax Discretionary Hardship Relief

Any application for Council Tax Discretionary Hardship Relief should be made using the Council's application form which can be obtained upon request.

Before applying, applicants must be able to demonstrate they have taken all reasonable steps to resolve the problems that are causing them to apply for the relief.

- apply for any other types of Council Tax reduction they may be entitled to. Please see our webpage, [Council Tax discounts, reductions and exemptions - Bury Council](#) for more information.
- see if they can reduce their Council Tax by challenging their Council Tax band, if they have grounds to do so. If they feel that the property is in such a dilapidated condition that it no longer exists as a dwelling they may want to contact the Valuation Office Agency to investigate whether they will remove the property from council tax. This could apply for example where a property has extensive damage to external walls, no roof etc.

There are many organisations that can offer free support and advice if a council taxpayer is struggling with their finances. Please see webpage [Let's manage tough times - Bury Council](#) for more information on support available.

If a council taxpayer is unable to demonstrate that they have explored the relevant points above the application will not be considered.

Any additional information required should be submitted when requested, failure to provide the requested information may result in your application being delayed or ultimately refused.

Applications may be considered against any Council Tax discounts/exemptions that are available in the first instance.

If a council taxpayer is not satisfied with the decision they can request, in writing within 21 days, for the decision to be reviewed. If they are still not satisfied with the decision after the review has taken place they retain the right to make an appeal to the Valuation Office Agency within 28 days, who can be contacted at www.gov.uk/contact-voa or phone 03000 501 501

The council may request further information from a council tax payer in connection with any request to reconsider a decision.

4. Decision Making and Approval

Applications will be considered within the Corporate Collection and Support service with oversight by a Business Manager or a nominated individual, in consultation with other services within the council and the Director/Assistant Director of Finance (or nominated individual) where necessary.

The primary consideration in awarding discretionary relief is that it serves the best interests of Bury's taxpayers and aligns with the strategic priorities set out in the Council's Corporate Strategy.

5. Award Periods

Business Rates Discretionary Rate Relief

All awards of Discretionary Rate Relief may be awarded for any amount (up to 100% of the charge due), for a specific period, for a fixed amount or for an ongoing period of liability. Where the period is ongoing, the award will be subject to regular review.

The organisation must inform the Council of any change in circumstances, which might affect eligibility for relief. The change should be notified within two weeks of the date it occurs.

The Council reserves the right to review the award should the circumstances of the organisation change during the period of the award. Where an organisation ceases to meet the eligibility criteria, Discretionary Rate Relief will be withdrawn following a notice period of 12 months.

Council Tax Discretionary Discount

Discretionary discounts may be awarded for any amount (up to 100% of the charge due), for a specific period, for a fixed amount or for an ongoing period of liability. Where the period is ongoing, the award will be subject to regular review.

The applicant will be notified of the decision as soon as possible after it has been made and any award will be applied to the relevant Council Tax account.

6. Backdating of Awards

Business Rates Discretionary Rate Relief

Whilst there is no time limit for an organisation to make an application for Discretionary Rate Relief, the maximum period for which the council will consider awarding relief is the start of the preceding financial year. For example: relief application received on 1st January 2024 and approved – the earliest period the award could be backdated to would be 1st April 2023 unless there are exceptional circumstances where the council see fit to backdate an award further.

Council Tax Discretionary Discount

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The applicant will be notified of the decision as soon as possible after it has been made and any award will be applied to the relevant Council Tax account.

7. Financial Implications

Business Rates Discretionary Rate Relief

Discretionary Rate Relief is funded in part by the Council and therefore has a direct impact on its financial resources. Under the Business Rates Retention Scheme, the Council retains a significant proportion of business rates income, meaning any relief awarded reduces the funding available for local services. As such:

- Awards of discretionary relief must be made with careful consideration of the Council's overall financial position.
- Relief decisions should reflect the interests of Bury's taxpayers and align with the Council's Corporate Strategy and budgetary priorities.
- The Council reserves the right to limit or refuse relief where the financial impact is deemed unsustainable or inconsistent with strategic objectives.
- Relief will not be awarded retrospectively beyond six months after the end of the financial year to which the application relates, unless exceptional circumstances apply.

Council Tax Discretionary Discount

Council Tax Discretionary Discount is funded wholly by the Council and therefore has a direct impact on its financial resources.

Awards of discretionary relief/discount must be made with careful consideration of the Council's overall financial position and relief decisions should reflect the interests of

Bury's taxpayers and align with the Council's Corporate Strategy and budgetary priorities.

Any officer or member involved in the decision-making process for discretionary relief must declare if they have any interest or association with the organisation/individual which is applying for discretionary relief.

Applicants will be notified in writing of any decision, whether they are successful or not. A revised NNDR/Council Tax bill will be sent where appropriate.

8. Subsidy Allowances

Business Rates Discretionary Rate Relief

Discretionary Rate Relief may constitute a subsidy under the UK's subsidy control regime, which replaced EU State Aid rules following Brexit. In accordance with the Subsidy Control Act 2022, the Council must ensure that any relief granted:

- Complies with the principles set out in the Act, including transparency, proportionality, and minimal distortion of competition and trade.
- Does not exceed the thresholds for Minimal Financial Assistance (MFA), currently set at £315,000 over a three-year period for most undertakings.
- Is recorded and reported in line with government requirements, including publication on the UK Subsidy Database where applicable.
- Is assessed for its potential impact on competition and investment, particularly where the recipient operates in markets that extend beyond the local area.

Please note that it is up to the organisation applying for relief to advise if they comply with Subsidy allowances and to inform the council as necessary.

9. Fraud

Where a ratepayer falsely applies for any relief, or where the ratepayer provides false information, make false representations, or deliberately withholds information in order to gain relief, prosecutions will be considered under the Fraud Act 2006.

10. Policy Review

This policy will be periodically reviewed as necessary, or sooner should there be a change in legislation that impacts on its operation.

11. Conclusion

This policy is designed to reflect the Council's corporate direction and incorporates the values outlined in the Corporate Strategy to guide the decision-making process for

awarding Business Rates Discretionary Rate Relief and Council Tax Discretionary Discount