

MEETING: **GOVERNANCE AND AUDIT COMMITTEE**

DATE: **15 JANUARY 2026**

TITLE: **Council Tax Reduction Policy under Section 13A(1)(c) of the Local Government Finance Act 1992**

PURPOSE: **In accordance with the Committee's request, consideration will be given to the content of the Policy Cabinet-approved**

CABINET MEMBER: **COUNCILLOR HUW WYN JONES**

CONTACT OFFICER: **DEWI MORGAN, HEAD OF FINANCE**
SIAN PUGH, ASSISTANT HEAD OF FINANCE

1. In accordance with the requirements of the Local Government (Wales) Measure 2011, the Governance and Audit Committee is expected to take an overview of the Council's financial matters.
2. Section 13A(1)(c) of the Local Government Finance Act 1992 gives the Council discretionary powers to reduce the amount of Council Tax payable for individuals, or for classes of taxpayers. The report in the Appendix was submitted to Cabinet on 11 November 2025. The Policy was approved as presented, and in accordance with Council procedures it was implemented on 26 November 2025 as the decision was not called in pursuant to section 7.25 of the Constitution of Cyngor Gwynedd:

[Cabinet Decisions 11 November](#)

3. Prior to the adoption of the Policy, Cyngor Gwynedd had used Section 13A of the 1992 Act to introduce local, optional exceptions in very limited cases. For example, on 8 April 2025 Cabinet decided to use Section 13A to give Foster Carers in Gwynedd a local discount, and project 3e in the Housing Action Plan uses the power to give a tax rebate to first-time buyers repairing a property, beyond the statutory exemption.
4. The Policy is intended to provide officers with guidance as to what Council Tax accounts, and under what circumstances, a discount could be granted in accordance with the broad powers that the Council has under Section 13A of the Local Government Finance Act 1992. This is a broad power and must be exercised wisely, carefully and proportionately to protect the Council from allegations of maladministration by unfairly discriminating in the exercise of power, or accusation of improper actions. This is particularly true with basic Council Tax, where any reductions are subsidised by the rest of Gwynedd's taxpayers.
5. When introducing a Policy to deal with taxation cases under Section 13A, it is essential that the officers of the Taxation Service have clear guidelines to follow so that the cases under consideration deal with genuinely exceptional cases. Given the value of Council Tax bills, there is a risk that officers will come under pressure to enforce the Policy in cases where which are not appropriate. The Policy has also put in place – for the first time – a mechanism for a panel of members and officers to consider cases that do not fall into a category outlined in the Policy, but which are nevertheless genuinely exceptional or to rectify a situation where a wider local policy is having an unintended consequences. The members of this Panel are the Cabinet Member for Finance, Head of Finance and/or Assistant Head of Finance and the Taxation Manager.

6. The Panel will meet quarterly during 2026. In addition to the member identified above, the Head of Legal Services and the Corporate Director are invited to attend the meetings. The Panel will consider the cases that have come to the attention of the Tax Service over the past few months for consideration for a tax reduction.
7. These cases include several properties that have become subject to Council Tax Premium as a result of increasing the threshold for properties to qualify for the business rates list, where these properties have historically been small family businesses, as discussed at the Governance and Audit Committee meeting on 13 November 2025.
8. Since an exemption from the basic tax using Section 13A is a direct cost on the Council's funds, the power must be exercised very carefully, while at the same time avoiding setting a precedent that could harm the Council financially in the long term.
9. With regard to the Premium, the Welsh Government has recently consulted which may lead to an adaptation of the statutory exemptions. We will keep the Policy under ongoing review and adapt it as any legislative changes are introduced.
10. The Governance and Audit Committee is asked to identify the relevant position and risks in relation to the content of the Policy, consider the Cabinet's decision and comment as necessary.

Attachments:

Cabinet Report 11/11/2025: Council Tax Reduction Policy under Section 13A(1)(c) of the Local Government Finance Act 1992