



**COTSWOLD**  
DISTRICT COUNCIL

## **Council Tax Exceptional Hardship Policy**

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## **I. Background**

- I.1 An Exceptional Hardship Fund (EHF) has been set up by the Council to assist applicants with Council Tax who are facing 'exceptional hardship'. The fund has been created to provide further assistance where an applicant is in receipt of Council Tax Support (CTS) but the level of support being paid by the Council does not meet their full Council Tax liability.
- I.2 The EHF will be available to any applicant (whether pension or working age) where their daily award of CTS does not meet 100% of the Council Tax liability (less any appropriate discounts and non-dependant deductions)
- I.3 The main features of the fund are as follows:
- The EHF will be cash limited;
  - The operation of the Fund will be at the total discretion of the Council;
  - The Fund will be operated by Publica's Revenues and Benefits team on behalf of the Council;
  - There is no statutory right to payments from the Fund although the Council will consider all applications received;
  - EHF payments are not payments of CTS (as defined within S13A of the Local Government Finance Act 1992);
  - EHF will not be available for any other debt other than outstanding Council Tax;
  - A pre-requisite to receive a payment from the Fund is that an amount of CTS must be in payment for any day that an EHF payment is requested;
  - Where an EHF payment is requested for a previous period, Exceptional Hardship must have been proven to have existed throughout the whole period requested;
  - EHF payments are designed as a short-term help to the applicant only and it is expected that payments will be made for a short term only;
  - Any EHF awarded will be credited to the applicants Council Tax account; and,
  - All applicants will be expected to engage with the Council and undertake the full application process. Failure to do so will inevitably mean that no payment will be made.

## **2. Equalities**

- 2.1 The creation of an Exceptional Hardship Fund facility meets the Council's obligations under the Equality Act 2010.
- 2.2 The Council recognises the importance of protecting our most vulnerable customers. This policy has been created to ensure that a level of protection and support is available to those applicants most in need. It should be noted that the EHF is intended to help cases of extreme financial hardship and not support a lifestyle or lifestyle

choice. Whilst the definition of 'Exceptional Hardship' is not exactly defined by this Policy, it is accepted that reductions to income and/or benefits generally will cause financial hardship. Exception Hardship should be considered as 'hardship beyond that which would normally be suffered'.

### **3. Purpose of this Policy**

- 3.1 The purpose of this policy is to specify how the Council will operate the scheme, to detail the application process and indicate a number of factors, which will be considered when deciding if an EHF payment can be made.
- 3.2 Each case will be treated on its own merits and all applicants will be treated fairly and equally in the accessibility to the EHF and the decisions made with applications.

### **4. The EHF Process**

- 4.1 As part of the process of applying for additional support from the EHF, all applicants will undertake all of the following:
  - a) Make a separate application for assistance;
  - b) Provide full details of their income and expenditure;
  - c) Accept assistance from either the Council's Client Support Officer or third party, such as the CAB to enable them to manage their finances more effectively, including the termination of non-essential expenditure;
  - d) Assist the Council to minimise liability by ensuring that all discounts, exemptions and reductions are properly granted; and
  - e) Maximise their income through the application for other welfare benefits, cancellation of non-essential contracts and outgoings and identifying the most economical tariffs for the supply of utilities and services generally.
- 4.2 Through the operation of this Policy the Council will look to:
  - a) Allow a short period of time for someone to adjust to unforeseen short-term circumstances and to enable them to 'bridge the gap' during this time, whilst the applicant seeks alternative solutions;
  - b) Enable long term support to households in managing their finances;
  - c) Help applicants through personal crisis and difficult events that affect their finances;
  - d) Prevent exceptional hardship; and
  - e) Help those applicants who are trying to help themselves

**4.3 It cannot be awarded for the following circumstances:**

- Where full Council Tax liability is being met by CTS
- For any other reason, other than to reduce Council Tax liability
- Where the Council considers that there are unnecessary expenses/debts that the application has not taken reasonable steps to reduce
- To pay for any overpayment of CTS caused through the failure of the applicant to notify changes in circumstances in a timely manner, where the applicant has failed to act correctly or honestly or has committed fraud.
- To cover previous years Council Tax arrears.

**5. Awarding Payment**

**5.1** The Council will decide whether or not to award an EHF payment, and how much any payment award might be.

**5.2** The intention is for the scheme to be a last resort for exceptional situations and circumstances. It is not intended to replace any discounts, exemptions or CTS awards. When making a decision in respect of an application the Council will consider:

- The shortfall between CTS and Council Tax liability
- Whether the applicant has engaged with the Exceptional Hardship Payment process
- The personal circumstances, age and medical circumstances (including ill health and disabilities) of the applicant, their partner, any dependents and any other occupants of the applicant's home
- The difficulty experienced by the applicant, which prohibits them from being able to meet their Council Tax liability, and the length of time this difficulty will exist
- Shortfalls due to non-dependant deductions
- The income and expenditure of the applicant and their partner
- How reasonable expenditure exceeds income
- Any savings or capital that might be held by the applicant or their partner
- The exceptional nature of the application and/or their family's circumstances that impact on finances

- The amount available in the EHF at the time of the application.
- The amount outstanding is not as a result of wilful refusal or culpable neglect

5.3 The above list is not exhaustive and other relevant factors and special circumstances may be considered.

5.4 An EHF payment may be less than the difference between the Council Tax liability and the amount of CTS paid. The level of payment may be nil if the Council feels that, in its opinion, the applicant is not suffering 'exceptional hardship', or where the applicant has failed to comply with the Exceptional Hardship process.

5.5 The Council may revise an award of EHF where the applicant's circumstances have changed which either increases or reduces their CTS entitlement.

5.6 Awards will be made directly by way of a discount applied to the Council Tax account thereby reducing the amount of Council Tax payable.

## **6. Notification of Award**

6.1 The Council will notify the outcome of each application for EHF payments in writing.

## **7. Appeals**

7.1 EHF payments are not part of CTS and are therefore not subject to the statutory appeal process.

7.2 If the applicant is not satisfied with the decision in respect of an application for an EHF payment the applicant can ask for a reconsideration. Such requests must be made in writing, giving reasons why they believe the original decision was incorrect.

7.3 Any request for a reconsideration must be made within one calendar month of the date of the notification letter confirming the original decision.

7.4 The outcome of the reconsideration will be set out in writing, detailing the reasons for the decision or upholding the original decision.

## **8. Fraud**

8.1 The Council is committed to protecting public funds and ensuring funds are awarded to the people who are rightfully eligible to them.

8.2 The Council will not accept deliberate manipulation and fraud. Any person caught falsifying their records to gain an EHF payment may face prosecution. The Council will seek recovery of any payment made as a result of fraud or payments made in error.

