

GRAVESHAM BOROUGH COUNCIL

Revenues & Benefits Service



Council Tax Reduction Scheme

Exceptional Hardship Policy

Document Control

Responsible Department	Revenues and Benefits Service
Review Date	Annually or as per legislative changes
Consultation	Portfolio Holder

Revision History

Date	Previous Version	Description of Revision
April 2017		New Policy
April 2018		No changes
April 2019		No changes
April 2020		Added Annex A for 2020/2021 only

1 Background

1.1 The Exceptional Hardship Policy has been created by Gravesham Borough Council to assist persons who have applied for Council Tax Reduction and who are facing 'Exceptional Hardship'. This is to provide further assistance where an applicant is in receipt of Council Tax Reduction but the level of support being paid by the Council does not meet their full Council Tax liability.

1.2 The main features of the policy are as follows:

- The operation of the policy will be at the total discretion of the Council;
- The policy will be applied by the Revenues & Benefits Service on behalf of the Council by the Appeals & DHP Officer
- Exceptional Hardship falls within s13A(1)(c) of the Local Government Finance Act 1992 and forms part of the Council Tax Reduction Scheme;
- Exceptional Hardship awards will only be available for a Council Tax liability from 1 April 2017 onwards and will not be available for any other debt other than outstanding Council Tax;
- A pre-requisite to receive an award is that an application for Council Tax Reduction has been made;
- Where an Exceptional Hardship award is requested for a previous period, Exceptional Hardship must have been proven to have existed throughout the whole of the period requested and will only be backdated to the start of the financial year in which the claim is made;
- Exceptional Hardship awards are designed as short-term help to the applicant only; and
- All applicants will be expected to engage with the Council and undertake the full application process. Failure to do so may mean that no payment will be made.

2 Exceptional Hardship and Equalities

2.1 The creation of an Exceptional Hardship Scheme facility meets the Council's obligations under the Equality Act 2010.

2.2 The Council recognises the impact the changes to our Council Tax Reduction Scheme will have on our most vulnerable residents and therefore the importance this policy has in protecting those applicants most in need from Exceptional Hardship. It should be noted that an Exceptional Hardship payment is intended to help in cases of extreme financial hardship and not support a lifestyle or lifestyle choice.

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 Exceptional Hardship 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 both accessibility and also decisions made.

4 The Exceptional Hardship Process

4.1 As part of the process of applying for additional support, all applicants must be willing to undertake all of the following:

- Make a separate application in writing for assistance;
- Provide full details of their income and expenditure;
- Where a person is self-employed or a director of a private limited company, provide details of their business including supplying business accounts;
- Accept assistance from either the Council or third parties such as Citizens Advice and Money Advice Service; to enable them to manage their finances more effectively including the termination of non-essential expenditure;
- Identify potential changes in payment methods and arrangements to assist them;
- Assist the Council to minimise liability by ensuring that all discounts, exemptions and reductions are properly granted; and
- Maximise their income through the application for other welfare benefits, cancellation of non-essential contracts and outgoings and by 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

- 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;
- Help applicants through personal crises and difficult events that affect their finances;
- Help those applicants who are trying to help themselves financially; and
- Encourage applicants to contact the Job Centre Plus to obtain and sustain employment, where appropriate.

4.3 An Exceptional Hardship award will not be considered in the following circumstances:

- Where the full Council Tax liability is being met by Council Tax Reduction;
- For any other reason, other than to reduce Council Tax liability;
- Where the Council considers that there are unnecessary expenses/debts etc and that the applicant has not taken reasonable steps to reduce them;
- Where there is excess income or capital sufficient to cover the shortfall in Council Tax liability,
- To pay for any arrears of Council Tax Reduction caused through the failure of the applicant to notify changes in circumstances in a timely manner or where the applicant has failed to act correctly or honestly; or
- To cover previous years Council Tax arrears

5 Exceptional Hardship award

- 5.1 An Exceptional Hardship award should not undermine the purpose and nature of the Council's Local Council Tax Reduction Scheme nor should it support irresponsible behaviour. The Council expects awards to be made in unusual or extreme circumstances where additional help will have a significant effect in alleviating poverty.
- 5.2 The Appeals and DHP Officer will decide whether or not to make an Exceptional Hardship award, and how much any award might be on the basis of the evidence supplied and the facts known.
- 5.3 When making this decision the Appeals & DHP Officer will consider:
- The shortfall between Council Tax Reduction and Council Tax liability;
 - Whether the applicant has engaged with the Exceptional Hardship process;
 - The personal circumstances, age and medical circumstances (including ill health and disabilities) of the applicant, their partner any dependants 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;
 - The income and expenditure of the applicant, their partner and any dependants or other occupants of the applicant's home;
 - All income received by the applicant, their partner and any member of their household irrespective of whether the income may fall to be disregarded under the Council Tax Reduction scheme;
 - Any savings or capital that might be held by the applicant, their partner and any member of their household irrespective of whether the capital may fall to be disregarded under the Council Tax Reduction scheme;
 - Other debts outstanding for the applicant and their partner;
 - The exceptional nature of the applicant and/or their family's circumstances that impact on finances, and
 - The length of time they have lived in the property;
- 5.4 The above list is not exhaustive and other relevant factors and special circumstances will be considered.
- 5.5 An award of Exceptional Hardship does not guarantee that a further award will be made at a later date, even if the applicant's circumstances have not changed.
- 5.6 An Exceptional Hardship award may be less than the difference between the Council Tax liability and the amount of Council Tax Reduction paid. The application may be refused if the Appeals & DHP Officer feels that, in their opinion, the applicant is not suffering 'Exceptional Hardship' or where the applicant has failed to comply with the Exceptional Hardship process.

5.7 An Exceptional Hardship award shall not be made for any period for which the customer has a council tax liability but has no entitlement to a Council Tax Reduction.

6 Publicity

6.1 The Revenues & Benefits Service will make a copy of this policy available for inspection and will be published on the Council's website.

7 Claiming an Exceptional Hardship award

7.1 An applicant must make a claim for an Exceptional Hardship award by submitting an application to the Revenues & Benefits Service. The application form can be obtained via the telephone, in person at the Council offices and/or via the Council's website.

7.2 Applicants can get assistance with the completion of the form from the Revenues and Benefits Service or Customer Services at the Council.

7.3 The application form must be fully completed and supporting information or evidence provided, as reasonably requested by the Council. The form must be returned within one calendar month of its issue.

7.4 In most cases the person who claims the Exceptional Hardship award will be the person entitled to Council Tax Reduction. However, a claim can be accepted from someone acting on another's behalf, such as an appointee, if it is considered reasonable.

8 Changes in circumstances

8.1 The Council may revise an award of Exceptional Hardship where the applicant's circumstances have changed which either increases or reduces their Council Tax Reduction entitlement.

9 Duties of the applicant and the applicant's household

9.1 A person claiming an Exceptional Hardship payment is required to:

- Provide the Appeals & DHP Officer with such information as they may require to make a decision;
- Tell the Revenues & Benefits Service of any changes in circumstances that may be relevant to their ongoing claim within 21 days of the change.

10 The award and duration of an Exceptional Hardship award

10.1 Both the amount and the duration of the award are determined at the discretion of the Appeals & DHP Officer and will be done so on the basis of the evidence supplied and the circumstances of the claim.

10.2 The start date and duration of any award will be determined by the Appeals & DHP Officer. The maximum length of the award will be limited to the financial year in which the claim is received.

11 Payment

11.1 Any Exceptional Hardship award will be made direct onto the customer's Council Tax account, thereby reducing the amount of Council Tax payable.

12 Overpaid Exceptional Hardship Payments

12.1 Overpaid Exceptional Hardship payments will generally be recovered directly from the applicant's Council Tax account, thus increasing the amount of Council Tax due and payable.

13 Notification of an award

13.1 The Appeals & DHP Officer will advise claimants of the outcome of their claim within 14 days of receipt of their Exceptional Hardship application or as soon as is reasonably practicable thereafter. Notices of a successful award will be issued and will include the following information:

- The weekly amount of Exceptional Hardship to be awarded
- The reasons for an award decision
- The period of award
- Where it will be paid to
- The requirement to report a change in circumstances
- A financial appraisal detailing income and expenditure used in the calculation

Where the claim is unsuccessful, the Appeals & DHP Officer will set out how the decision has been reached and enclose a financial appraisal of their income and expenditure. The claimant has the right to ask for any of the figures on the appraisal to be reviewed and must provide documentary evidence to substantiate their figures. The request for a review must be made within one month of the Appeals & DHP Officer's original decision.

14 Appeals

14.1 Exceptional Hardship awards are granted under s13A(1)(c) of the Local Government Finance Act 1992 as part of the Council Tax Reduction Scheme, as such the normal Council Tax appeal process applies and an appeal can be made at any time. The initial appeal should be made to Gravesham Borough Council who will review any decision. Ultimately any decision can be considered by an independent Valuation Tribunal.

15 Fraud

- 15.1 The Council is committed to protect public funds and ensure funds are awarded to the people who are rightfully eligible to them.
- 15.2 An applicant who tries to fraudulently claim an Exceptional Hardship payment by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under The Fraud Act 2006.
- 15.3 Where the Council suspects that such a fraud may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings being instigated.

16 Complaints

- 16.1 The Council's 'Complaints Procedure' (available on the Councils website) will be applied in the event of any complaint received about the application of this policy.

17 Policy Review

- 17.1 This policy will be reviewed on an annual basis and updated as appropriate to ensure it remains fit for purpose. However, a review may take place sooner should there be any significant changes in legislation.

COVID-19 hardship fund 2020-21

Our policy on awarding financial hardship payments in response to coronavirus hardship relief.

This forms Annex A to the council's Council Tax Reduction Scheme Exceptional Hardship Policy.

As part of its response to COVID-19, the government announced in the Budget on 11 March that it would provide local authorities in England with £500 million of new grant funding to support economically vulnerable people and households in their local area.

Gravesham have received a payment of £893,182 and this is based on our share of the national caseload of working age Council Tax Reduction Scheme recipients.

How we will be awarding the financial hardship payments

Here is Gravesham Borough Council's policy on awarding the financial hardship payments.

Eligibility

For the 2020-2021 financial year only this scheme will be in place to provide Council Tax relief for the following:

1. CTRS working age claimants
2. Council Tax payers suffering financial hardship due to COVID-19 pandemic

Scheme

- All Working age CTRS claimants will qualify automatically for an award of £150 or the total of their outstanding Council Tax whichever is lower
- All Working age CTRS claimants in receipt of Working Tax Credits will qualify for an award to mitigate the increase in Working Tax Credits.

There is no requirement under this section of the policy for the applicant or their family to have suffered either directly or indirectly from the COVID-19 virus. Furthermore, there is no requirement for the Council Tax Payer to make an application for this award.

- Any further awards for customers who are experiencing extreme financial hardship because of COVID-19 will be considered in accordance with those detailed in the Councils:-
 - Council Tax Reduction Scheme Exceptional Hardship Policy and
 - Council Tax Hardship Relief under Section 13A Local Government Finance Act 1992 Policy