

Financial Support Payment Scheme Policy

Part of the Council Tax Reduction Scheme

(Commonly known as Exceptional Hardship)

Document Control

- Dated: April 2022
- Responsible department: Revenues and Benefits Service
- Review date: Annually or as per legislative changes
- Last reviewed: April 2024

1 Background

- 1.1 A Financial Support Payment Scheme Fund (FSPS) has been created by Gravesham Borough Council to assist applicants for Council Tax Reduction (CTR) who are facing 'exceptional hardship'. The fund has been created 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 Financial Support Payment Scheme Fund will be available to any applicant (whether pension or working age) where their daily award of Council Tax Reduction does not meet 100% of their Council Tax liability (less any appropriate discounts and any non-dependant deductions).
- 1.3 The Financial Support Payment Scheme Fund will also be open to those applicants who have applied for Council Tax Reduction but have not qualified **and** have made an application under the FSPS scheme **within one month** of receiving the decision from the Council. However, in such cases the applicant will need to provide evidence of exceptional circumstances above and beyond a financial reason given that their income / capital will have already been determined to be in excess of the scheme levels.
- 1.4 In the case of paragraph 1.3, the Financial Support Payment Scheme Fund will not be available for those applicants who are precluded from the scheme under the Prescribed Requirement Regulations.
- 1.5 The main features of the Fund are as follows:
 - The operation of the Fund will be at the total discretion of the Council;
 - The Fund will be operated by the Revenues & Benefits Service on behalf of the Council;
 - There is no statutory right to payments from the Fund although the Council will consider all applications received;
 - Financial Support Payment Scheme Fund payments will only be available from 1st April 2022 and **will not be available for any other debt than outstanding Council Tax**;
 - A pre-requisite to receive a payment from the Fund is that an amount of Council Tax Reduction must be in payment for any day that a Financial Support Payment Scheme Fund payment is requested or that an application has been made for Council Tax

Reduction and has subsequently been refused within 1 month from the date of application for a Financial Support Payment Scheme Fund payment;

- Where a Financial Support Payment Scheme Fund payment is requested for a previous period, 'exceptional hardship' must have been proven to have existed throughout the whole of the period requested;
- Financial Support Payment Scheme Fund payments are designed as short-term help to the applicant only and it is expected that payments will be made for a short term only; 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 Financial Support Payment Scheme and Equalities

- 2.1 The creation of a Financial Support Payment Scheme Fund 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 fund has in protecting those applicants most in need from 'exceptional hardship'. 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 a Financial Support Payment Scheme payment is intended to help in cases of **extreme** financial hardship and not to support a lifestyle or lifestyle choice. Whilst the definition 'exceptional hardship' is not exactly defined by this policy, it is accepted that changes to the level of support generally will cause financial hardship and any payment made will be at the total discretion of the Council. Exceptional 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 a Financial Support Payment Scheme Fund 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 decisions made.

4 The Financial Support Payment Scheme Process

- 4.1 As part of the process of applying for additional support from the Financial Support Payment Scheme Fund, 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 or similar organisations 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;
- Prevent exceptional hardship
- Help those applicants who are trying to help themselves financially; and
- Encourage applicants to obtain and sustain employment, where appropriate.

4.3 A Financial Support Payment Scheme Fund award cannot be awarded for 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 these;
- Where there is excess income or capital sufficient to cover the shortfall in Council Tax liability; or
- 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.

5 Financial Support Payment Scheme award

5.1 A Financial Support Payment Scheme 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 Council will decide whether or not to make a Financial Support Payment Scheme 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 Council will consider:

- The shortfall between Council Tax Reduction and Council Tax liability;
- Whether the applicant has engaged with the Financial Support Payment Scheme process;
- If a Discretionary Housing Payment for Housing Benefit or Universal Credit Housing Element has already been awarded to meet a shortfall in rent;
- 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;
- Shortfalls due to non-dependant deductions;
- The income and expenditure of the applicant, their partner and any dependants or other occupants of the applicant's home;
- How reasonable expenditure exceeds income;
- 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 from the Financial Support Payment Scheme Fund 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 A Financial Support Payment Scheme Fund payment may be less than the difference between the Council Tax liability and the amount of Council Tax Reduction 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 Financial Support Payment Scheme process.

6 Publicity

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

7 Claiming a Financial Support Payment Scheme award

7.1 An applicant must make a claim for a Financial Support Payment Scheme award by applying to the Revenues & Benefits Service. The application form can be obtained via

the telephone, in person at the Council offices or a claim can be made online via the Council's website.

- 7.2 Applicants can get assistance with the completion of the form from the Revenues & 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.
- 7.4 In most cases the person who claims the Financial Support Payment Scheme 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 Financial Support Payment Scheme 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 a Financial Support Payment Scheme payment is required to:
- Provide the Revenues & Benefits Service with such information as they may require to make a decision;
 - Tell the Revenues & Benefits Service of any changes in circumstances, within 21 days, that may be relevant to their ongoing claim;
 - Provide the Revenues & Benefits Service with such other information as it may require in connection with their claim.

10 The award and duration of a Financial Support Payment Scheme payment

- 10.1 Both the amount and the duration of the award are determined at the discretion of the Council 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 Council. In any event, the maximum length of the award will be limited to the financial year in which the award is given.

11 Payment

- 11.1 Any Financial Support Payment Scheme award will be made direct onto the applicant's Council Tax account, thereby reducing the amount of Council Tax payable.

12 Overpaid Financial Support Payment Scheme Payments

- 12.1 Overpaid Financial Support Payment Scheme 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 Council will notify the outcome of each application for Financial Support Payment Scheme payments in writing. Notifications will include the following:-

- The weekly amount of Financial Support Payment 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 Council will set out how the decision has been reached and enclose a financial appraisal of the applicant's income and expenditure. The applicant 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 Council's original decision.

14 Appeals

14.1 Financial Support Payment Scheme payments are subject to the statutory appeal process as they are made as part of the Council's Council Tax Reduction scheme under Section 13A(1)(A) of the Local Government Finance Act 1992.

14.2 If the applicant is not satisfied with the decision in respect of a Financial Support Payment Scheme payment, a decision to reduce the amount of Financial Support Payment Scheme payment, a decision not to backdate Financial Support Payment Scheme payment or a decision that there has been an overpayment of a Financial Support Payment Scheme payment, the Council will look at the decision again.

14.3 An officer, other than the original decision maker, will consider the appeal by reviewing the original application and any other additional information and/or representation made and will make a decision within 14 days of referral or as soon as practicable.

14.4 The outcome of the appeal will be set out in writing, detailing the reasons for the revised decision or upholding the original decision.

14.5 Further appeals can be made as per Council Tax Reduction to 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 a Financial Support Payment Scheme 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.