

**COUNCIL TAX SUPPORT SCHEME  
EXCEPTIONAL HARDSHIP FUND POLICY**



**PLYMOUTH**  
CITY COUNCIL

DRAFT

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## **I. BACKGROUND**

The Exceptional Hardship Fund (EHF) has been set up by Plymouth Council to cover the shortfall between Council Tax liability and payments of Council Tax Support.

Every customer who is entitled to Council Tax Support and who has a shortfall is entitled to make a claim for help from the Fund.

The main features of the Fund are that:

- Exceptional Hardship Fund awards are discretionary
- Customers do not have a statutory right to an award
- The Exceptional Hardship Fund Policy is held within the main Council Tax Support scheme
- Exceptional Hardship Fund awards are not a payment of the main Council Tax Support scheme
- It is a cash limited fund
- The Revenues and Benefits Service decides how the Fund is administered
- Council Tax Support must be in payment in the week in which an Exceptional Hardship Fund award is made or the applicant must have been in receipt of Council Tax Benefit on 31.03.13
- Plymouth City Council may decide that a backdated Exceptional Hardship award is appropriate; which could then settle council tax arrears. This would be the only circumstance where the Exceptional Hardship Fund could be used to facilitate payment of Council Tax arrears.

In addition to this fund there is a Discretionary Housing Payments scheme which covers the shortfall between rent and Housing Benefit.

## **2. EXCEPTIONAL HARDSHIP FUND AND EQUALITIES**

The creation of an Exceptional Hardship Fund facility meets Plymouth City Council's obligations under the Equalities Act.

The Government has been clear that, in developing a local Council Tax Support scheme, vulnerable groups should be protected. Other than statutory protection for low income pensioners, the Government has not prescribed the other groups that local Councils should support. Plymouth City Council has designed their Council Tax Support scheme to take account of the various statutes that currently protect vulnerable people.

We recognise the importance of protecting our most vulnerable customers and also the impact these changes have. We have created an Exceptional Hardship Fund to ensure that we protect and support those most in need. The Exceptional Hardship Fund is intended to help in cases of extreme financial hardship and not support a lifestyle.

### **3. PURPOSE OF THIS POLICY**

The purpose of this policy is to specify how Plymouth City Council's Revenues and Benefits Service will operate the scheme, and to indicate some of the factors which will be considered when deciding if an Exceptional Hardship Fund payment can be made.

Each case will be treated on its own merits and all customers will be treated fairly and equally in the accessibility to the Fund and also the decisions made with applications.

Where a customer is not claiming a Council Tax discount or exemption to which they may be entitled or a welfare benefit or additional financial assistance, they will be advised, and where necessary assisted, in making a claim to maximise their income, before their claim for Exceptional Hardship Funds will be decided.

### **4. STATEMENT OF OBJECTIVES**

- The Revenues and Benefits Service will seek through the operation of this policy 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
- Support people in managing their finances
- Help customers through personal crises and difficult events that affect their finances
- Aim to help prevent exceptional hardship
- Support vulnerable young people in the transition to adult life
- Helping those who are trying to help themselves financially
- Alleviate poverty
- Sustain tenancies and prevention of homelessness
- Keep families together
- Encourage and support people to obtain and sustain employment
- Give support to those who are financially vulnerable

The Exceptional Hardship Fund is a short-term emergency fund, awarded whilst the customer seeks alternative solutions.

- It cannot be awarded for the following circumstances:
- Where full Council Tax liability is being met by Council Tax Support
- For any other reason, other than to reduce Council Tax liability
- Where the Council considers that there are unnecessary expenses or/debts which the customer has not taken reasonable steps to reduce
- To reduce any Council Tax Support recoverable overpayment
- To cover previous years Council Tax arrears

- Where there is a shortfall caused by a Department for Work and Pensions sanction or suspension being applied because the customer has turned down work/interview/training opportunities
- When Council Tax Support is suspended

## **5. AWARDING AN EXCEPTIONAL HARDSHIP FUND PAYMENT**

The Revenues and Benefits Service will decide whether or not to make an Exceptional Hardship Fund award, and how much any award might be.

When making this decision the Revenues and Benefits Service will consider:

- The shortfall between Council Tax Support and Council Tax liability
- The steps taken by the customer to reduce their Council Tax liability
- Changing payment methods, re-profiling Council Tax instalments or setting alternative payment arrangements in order to make them affordable
- To ensure that all discounts, exemptions and reductions are granted
- Steps taken by the customer to establish whether they are entitled to other welfare benefits.
- Steps taken by the customer in considering and identifying where possible the most economical tariffs for supply of utilities
- If a Discretionary Housing Payment has already been awarded to meet a shortfall in rent
- The personal circumstances, age and medical circumstances (including ill health and disabilities) of the customer, their partner and any dependants and any other occupants of the customer's home
- The difficulty experienced by the customer 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 customer, their partner and any dependants or other occupants of the customer's home
- How deemed reasonable expenditure exceeds income
- That all income may be taken into account, including those which are disregarded when awarding Council Tax Support
- Any savings or capital that might be held by the customer or their partner
- Other debts outstanding for the customer and their partner
- Whether the customer has already accessed or is engaging for assistance with budgeting and financial/debt management advice. An Exceptional Hardship Fund award may not be made until the customer has accepted assistance either from the Council or third party, such as the Citizens Advice Bureau or similar organisations, to enable them to manage their finances more effectively, including the termination of non-essential expenditure.

- The exceptional nature of the customer and/or their family's circumstances that impact on finances
- The length of time they have lived in the property
- The amount available in the Exceptional Hardship Fund at the time of the application
- The list is not exhaustive and other relevant factors and special circumstances will be considered.

An award from the Exceptional Hardship Fund does not guarantee that a further award will be made at a later date, even if the customer's circumstances have not changed.

An Exceptional Hardship Fund award may be less than the difference between the Council Tax liability and the amount of Council Tax Support paid.

## **6. PUBLICITY**

The Revenues and Benefits Service will publicise the Fund and will work with interested parties to achieve this. A copy of this policy will be made available for inspection and will be published on the Council's website.

## **7. MAKING A CLAIM**

A customer must make a claim for an Exceptional Hardship Fund award by submitting an application to Plymouth City Council. The application form can be obtained via the telephone, in person at one of the Council offices and/or the internet. Customers can get assistance with the completion of the form from the Revenues and Benefits Service, Customer Services or Housing Options at the Council.

The application form must be fully completed and supporting information or evidence provided, as reasonably requested by the Council.

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

## **8. CHANGE OF CIRCUMSTANCES**

The Revenues and Benefits Service may revise an award from the Exceptional Hardship Fund where the customer's circumstances have changed which either increases or reduces their Council Tax support entitlement

## **9. DUTIES OF THE CUSTOMER**

A person claiming an Exceptional Hardship Fund Payment is required to:

Give the Council such information as it may require to make a decision.

Tell the Council of any changes in circumstances that may be relevant to their on-going claim.

Give the Council such other information as it may require in connection with their claim.

## **10. AMOUNT AND DURATION OF AWARD**

Both the amount and the duration of the award are determined at the discretion of the Council, and will be done on the basis of the evidence supplied and the circumstances of the claim.

- The start date will usually be the Monday after the written claim for an Exceptional Hardship Fund award is received by the Revenues and Benefits Service, although in some cases it may be possible to backdate this award, based upon individual circumstances of each case.
- The Exceptional Hardship Fund will normally be awarded for a minimum of one week.
- The maximum length of the award will not exceed the end of the financial year in which the award is given.

## **11. PAYMENT OF AWARD**

Any Exceptional Hardship Fund award will be made directly into the customer's Council Tax account, thus reducing the amount of Council Tax payable.

## **12. OVERPAID EXCEPTIONAL HARDSHIP FUND PAYMENTS**

Overpaid Exceptional Hardship Fund awards will generally be recovered directly from the customers council tax account, thus increasing the amount of Council Tax due and payable.

## **13. NOTIFICATION OF AN AWARD**

The Council will notify the outcome of each application for Exceptional Hardship Fund awards in writing. The notification will include the reason for the decision and advise the customer of their appeal rights.

## **14. THE RIGHT TO APPEAL**

If the customer is not satisfied with the decision in respect of an application for an Exceptional Hardship Fund award, a decision to reduce the amount of Exceptional Hardship Fund awarded, a decision not to backdate an Exceptional Hardship Fund award or a decision that there has been an overpayment of an Exceptional Hardship Fund award, they must make written representation to the Council setting out their grounds of appeal.

Plymouth City Council will consider the appeal and respond in writing, setting out the decision and associated reasons for the decision.

Any request for an appeal must be made within one month of the date of the notification letter confirming the original decision.

## **15. FRAUD**

The Revenues and Benefits Service is committed to protect public funds and ensure funds are awarded to the people who are rightfully eligible to them.

A customer who tries to fraudulently claim an Exceptional Hardship Fund award 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.

Where the Revenues and Benefits Service 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. LEGISLATION**

The Local Government Finance Act 2012 amends Section 13A of the Local Government Finance Act 1992 and sets out the requirement for Councils to develop and adopt a localised Council Tax Support Scheme. This Exceptional Hardship Fund Policy forms part of this Scheme.

## **17. COMPLAINTS**

The Council's 'Have Your Say' process (available on the Councils website) will be applied in the event of any complaint received about this policy.

## **18. POLICY REVIEW**

This policy will be reviewed at least every 3 years and updated as appropriate to ensure it remains fit for purpose. However, the review may take place sooner should there be any significant changes in legislation.