



# COUNCIL TAX REDUCTION - EXCEPTIONAL HARDSHIP POLICY

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## 1.0 Background

- 1.1 An Exceptional Hardship Policy has been created by North Devon Council to assist applicants for Council Tax Reduction who are facing 'exceptional hardship'. This is to provide further assistance where an application has been received for Council Tax Reduction but the level of support being paid by the North Devon Council does not meet their full Council Tax liability.
- 1.2 Exceptional Hardship will be available to any applicant where their daily award of Council Tax Reduction does not meet 100% of their Council Tax liability (less any appropriate discounts and non-dependant deductions).
- 1.3 The main features of the policy are as follows:
- The operation of the policy will be at the total discretion of the North Devon Council;
  - The policy will be operated by the Revenues and Benefits section on behalf of North Devon Council;
  - Exceptional Hardship falls within S13A 1 A of the Local Government Finance Act 1992 and forms part of the Council Tax Reduction Scheme;
  - Exceptional Hardship payments will only be available from 1<sup>st</sup> April 2018 and **will not be available for any other debt other than outstanding Council Tax**;
  - A pre-requisite to receive a payment is that an application for Council Tax Reduction has been made;
  - Where an Exceptional Hardship Payment is requested for a previous period, Exceptional Hardship must have been proven to have existed throughout the whole of the period requested;
  - Exceptional Hardship Payments are designed as a short-term help to the customer only and it is expected that payments will be made for a short term only; and
  - All applicants will be expected to engage with North Devon Council and undertake the full application process. Failure to do so will inevitably mean that no payment will be made.

## **2.0 Exceptional Hardship and Equalities**

- 2.1 The creation of an Exceptional Hardship Policy facility meets North Devon Council's obligations under the Equality Act 2010.
- 2.2 North Devon Council recognises the importance of protecting our most vulnerable customers and also the impact the changes imposed by the removal of Council Tax Benefit by Central Government. 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 an Exceptional Hardship Policy is intended to help in cases of **extreme** financial hardship and not 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 North Devon Council. Exceptional Hardship should be considered as 'hardship beyond that which would normally be suffered.

## **3.0 Purpose of this policy**

- 3.1 The purpose of this policy is to specify how North Devon 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 with applications.

## **4.0 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:
- a. Make a separate application for assistance;
  - b. Provide full details of their income and expenditure;
  - c. Where a person is self-employed or a director of a private limited company, details of their business including business accounts must be supplied;

- d. Accept assistance from either North Devon Council or third parties such as the CAB or similar organisations to enable them to manage their finances more effectively including the termination of non essential expenditure;
- e. Identify potential changes in payment methods and arrangements to assist the customer;
- f. Assist North Devon Council to minimise liability by ensuring that all discounts, exemptions and reductions are properly granted; and
- g. 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 North Devon 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 customer seeks alternative solutions;
- Enable long term support to households in managing their finances;
- 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 and support people to obtain and sustain employment.

4.3 It 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 North Devon Council considers that there are unnecessary expenses/debts etc and that the applicant has not taken reasonable steps to reduce these;
- 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

## **5.0 Awarding an Exceptional Hardship Payment**

5.1 North Devon Council will decide whether or not to make an Exceptional Hardship award, and how much any award might be.

5.2 When making this decision North Devon Council 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;
- How reasonable expenditure exceeds income;
- In the case of a self-employed applicant, whether they are in gainful employment;
- 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;

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

5.4 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.

5.5 An Exceptional Hardship 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 authority feels that, in its opinion, the customer is not suffering 'exceptional hardship' or where the applicant has failed to comply with the Exceptional Hardship process.

## **6.0 Publicity**

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

## **7.0 Claiming an Exceptional Hardship payment**

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

7.2 Applicants can get assistance with the completion of the form from the Revenues and Benefits Service or from the Customer Services Team at one of the three North Devon Council offices.

7.3 The application form must be fully completed and supporting information or evidence provided, as reasonably requested by North Devon 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.

## **8.0 Changes in circumstances**

8.1 North Devon 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.

## **9.0 Duties of the customer and the customer's household**

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

- Provide North Devon Council with such information as it may require to make a decision;
- Tell North Devon Council of any changes in circumstances that may be relevant to their ongoing claim; and
- Provide North Devon Council with such other information as it may require in connection with their claim.

## **10.0 The award and duration of an Exceptional Hardship Payment**

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

10.2 The start date of such a payment and the duration of any payment will be determined by North Devon Council. In any event, the maximum length of the award will not exceed the end of the financial year in which the award is given.

## **11.0 Payment**

11.0 Any Exceptional Hardship payment will be made direct onto the applicant's Council Tax account, thereby reducing the amount of Council Tax payable.

## **12.0 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.

## **13.0 Notification of an award**

13.1 North Devon Council will notify the outcome of each application for Exceptional Hardship payment.

## **14.0 Appeals**

14.1 Exceptional Hardship payments are granted under S13A 1A 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 North Devon Council



who will review any decision. Ultimately any decision can be considered by an independent Valuation Tribunal.

### **15.0 Fraud**

15.1 North Devon Council is committed to protecting public funds and to ensure that 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 North Devon 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.

### **16.0 Complaints**

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

### **17.0 Policy Review**

17.1 This policy will be reviewed on a regular 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.