



**Exeter City Council**

Proposed local scheme for  
**Council Tax Support**

Exceptional Hardship Fund Policy  
October 2012

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## VERSION CONTROL

Version	Date	Notes
001	October 2012	

## **1. BACKGROUND**

The Exceptional Hardship Fund covers the shortfall between Council Tax liability and payments of Council Tax Support.

It is a cash limited fund which has been set up from the revenue funds of Exeter City Council.

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 payments are discretionary
- Customers do not have a statutory right to a payment
- It is outside of the main Council Tax Support scheme
- It is a cash limited fund
- The Benefits Service will administer the fund
- Exceptional Hardship Fund payments are not a payment of main Council Tax Support
- Council Tax Support must be in payment within the week in which an Exceptional Hardship Fund payment is awarded or in exceptional circumstances where eligibility to Council Tax Benefit at 31 March 2013 has been lost due to the introduction of the Council Tax Support scheme
- Exceptional Hardship Fund payments cannot be awarded to settle arrears of Council Tax

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 meets Exeter City Council's obligations under the Equalities Act.

The Government has been clear that, in developing the local Council Tax Support scheme, vulnerable groups should be protected. Other than statutory protection for low income pensioners the Government has not prescribed other groups that local authorities should support. Exeter City Council has designed the Council Tax Support scheme to take account of the legislation that protects vulnerable people.

We recognise the importance of protecting our most vulnerable customers and also the impact these changes could 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, not to support lifestyle choices.

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

The purpose of this policy is to specify how Exeter City Council 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 relation to accessibility to the fund and also the decision making process.

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 Fund will be decided.

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

The 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 financial circumstances to enable them to manage financially during this time.
- Support people in managing their finances
- Help customers through difficult events that affect their finances.
- Prevent exceptional hardship
- Support financially vulnerable young people in the financial transition to adult life.
- Help those who are trying to help themselves financially
- Alleviate poverty
- Sustain tenancies and prevent 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, whilst the customer seeks alternative solutions.

It will not be awarded for the following circumstances:

- Where full Council Tax liability is being met by Council Tax Support
- For any reason, other than to pay Council Tax
- Where the council considers that there are unnecessary expenses and/or debts and that the customer has not taken reasonable steps to reduce these
- To reduce any Council Tax Support recoverable overpayment
- To cover previous years Council Tax arrears
- A shortfall caused by a Department for Work and Pensions sanction or suspension that has been 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 Benefits Service will decide whether or not to award an Exceptional Hardship Fund payment, and how much any award will be.

When making this decision the Benefits Service will consider:

- The shortfall between Council Tax Support and Council Tax liability
- Checking that all eligible Council Tax discounts, exemptions and reductions are granted
- The steps taken by the customer to reduce their Council Tax liability
- Changing payment methods, reprofiling Council Tax instalments or setting alternative payment arrangements in order to make them affordable
- Steps taken by the customer to establish that 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 and services
- Steps taken by the customer to identify and reduce non essential expenditure
- 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 other occupants of the customer's home

- The financial difficulty experienced by the customer, which prohibits them from being able to meet their Council Tax liability, and the likely length of time this difficulty will exist
- Shortfalls due to non-dependant deductions
- The income and expenditure of the customer, their partner and any other occupants of the customer's home
- All income of the customer, their partner and any other occupants of the customer's home, 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 to the customer and their partner
- Whether the customer has already accessed or is in the process of engaging assistance with budgeting and financial/debt management advice. The award of Exceptional Hardship Fund payments may not be made until the customer has accepted assistance either from ECC or an appropriate advice service, and taken steps to manage their finances more effectively.
- 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 of 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.

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

## **6. PUBLICITY**

The Benefits Service will publicise this fund and will work with advice and other organisations to achieve this. A copy of this policy will be made available for inspection and will be published on Exeter City Council's website.

## **7. MAKING A CLAIM**

A claim to the Exceptional Hardship Fund will be accepted in whatever format it is made, this may be in writing, by email, face to face or over the telephone. An application can be made by the applicant, a third party or advocate.

Applications to the Exceptional Hardship Fund may also be made by referral from a member of Exeter City Council staff or from an advice agency or organisation representative

Following the initial claim the applicant will be asked to complete a form detailing their income and expenditure for the decision making process to begin and additional information may be requested to support the application.

## **8. CHANGE OF CIRCUMSTANCES**

The Benefits Service may revise an award of 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 ongoing 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 Exeter City Council, and will be done so on the basis of the evidence supplied and the circumstances of the claim

- The start date of an award will usually be the Monday after the claim for an Exceptional Hardship Fund payment is received by the Benefits Service, although it may be possible to backdate this award, based upon the individual circumstances of each case.
- The Exceptional Hardship Fund will normally be paid 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 payment will be paid directly to the customer's Council Tax account, reducing the amount of Council Tax payable.

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

Overpaid Exceptional Hardship Fund payments will generally be recovered directly from the customers council tax account, 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 payments in writing. The notification will include the reason for the decision and advise the customer of their dispute rights.

## **14. THE RIGHT TO DISPUTE A DECISION**

Exceptional Hardship Fund payments are not payments of Council Tax Support, and are therefore not subject to the statutory appeal process.

If the customer is not satisfied with a decision in respect of:

- an application for an Exceptional Hardship Fund payment
- a decision not to award an Exceptional Hardship Fund payment
- a decision to award a reduced amount of Exceptional Hardship Fund payment
- a decision not to backdate an Exceptional Hardship Fund payment
- a decision that there has been an overpayment of an Exceptional Hardship Fund payment

Exeter City Council will look at the decision again.

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

Any request for a review must be made in writing, within one month of the date of the notification letter confirming the original decision.

The outcome of the dispute will be in writing, detailing the reasons for a change in the original decision or upholding the original decision.



## **15. FRAUD**

The Benefits Service is committed to protect public funds and ensure payments are paid to the people who are rightfully entitled to them.

A customer who claims an Exceptional Hardship Fund payment by falsely declaring their circumstances, providing a false statement or false evidence in support of their application, may have committed an offence.

Where Exeter City Council suspects that such an offence may have been committed, this matter will be investigated as appropriate and could lead to criminal proceedings.

## **16. LEGISLATION**

Section 9 of the Local Government Finance Bill 2012 amends section 13A of the Local Government Finance Act 1992 and sets out the requirement for local authorities to develop and adopt a localised Council Tax Support Scheme. This Exceptional Hardship Fund Policy forms part of this scheme.

## **17. COMPLAINTS**

Exeter City Council's 'Complaints, compliments and suggestions procedure' (available on our website at: <http://www.exeter.gov.uk/index.aspx?articleid=9261>) will be applied in the event of any complaint received about this policy.

## **18. POLICY REVIEW**

This policy will be reviewed 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 or ECC policy.