



**New Forest District Council**

**Council Tax Reduction**

**Exceptional Hardship Payments (EHP)**

**Policy**

1. What are Exceptional Hardship Payment Awards
2. Purpose of this policy
3. Claiming Exception Hardship Payment
4. What an EHP cannot help with
5. Awarding Exceptional Hardship Payment
6. Amount and duration of award
7. Notifying an award of Exceptional Hardship Payment
8. Appeals
9. Change in circumstances
10. Overpayments
11. Fraud
12. Complaints
13. Publicity
14. Policy review

## **1. What are Exceptional Hardship Payments?**

- 1.1 The Exceptional Hardship Payment (EHP) scheme has been set up by the Council to support those in receipt of Council Tax Reduction who are experiencing exceptional hardship. The scheme provides further support where there is a shortfall between the Council Tax Liability and the amount of Council Tax Reduction (CTR).
- 1.2 Exceptional Hardship Payments falls within S13A (1) (c) of the Local Government Finance Act 1992 and forms part of the Council Tax Reduction Scheme
- 1.3 The main features of EHPs are:
  - The scheme is purely discretionary and there is no right to a payment
  - EHP awards are not a payment of the main CTR scheme
  - CTR must be in payment in the week which an EHP award is made
  - Exceptional Hardship Payments are designed as short-term help to applicants in extreme financial hardship.
  - awards are subject to available funding.

## **2. Purpose of this policy**

- 2.1 The purpose of this policy is to specify how the Council will operate the scheme and to indicate some of the factors which will be considered when deciding if an Exceptional Hardship Payment award can be made.
- 2.2 Each case will be treated on its own merits and all applicants will be treated fairly and equally in terms of access to the scheme and the decisions made.
- 2.3 The Benefits Service is committed to work with applicants to:
  - alleviate poverty and minimise hardship
  - support the vulnerable in the local community
  - help applicants through personal financial crisis and difficult events

## **3. Claiming an Exceptional Hardship Payment**

- 3.1 The Exceptional Hardship Payment is a short-term award, whilst the applicant seeks alternative solutions. Before an award is made, the Council must be satisfied that the applicant is entitled to Council Tax Support
- 3.2 All applicants must be willing to undertake all of the following:
  - Make a separate application for assistance
  - Provide full details of their income, capital, and expenditure
  - Assist the Council in trying to reduce Council Tax liability by way of any other discount, reductions and exemptions that can be granted
  - Maximise their income through the application for other welfare benefits, and identifying ways in which their overall household expenditure can be reduced
  - Accept assistance from either the Council or third parties such as the Citizens Advice, or similar organisations, to enable the applicant to manage their finances more effectively
  - Identify potential changes in payment methods and arrangements to assist the applicant

- 3.3 An applicant, or someone acting on their behalf, must make a claim for an EHP award by submitting an application to the council's Benefit Team. The application form can be obtained on-line via the website, telephone or in person at the Council offices. Customers can get assistance with the completion of the form from the Benefits team.
- 3.4 The application must be fully completed and supporting information or evidence provided, as reasonably requested by the council.
- 3.5 In most cases, the person who claims an EHP award will be the person entitled to Council Tax Reduction. However, a claim can be accepted from someone acting on their behalf such as an appointee, if it is considered reasonable.
- 3.6 The council may accept details of income, capital, and expenditure not on its own application form.
- 3.7 Where an applicant is not claiming a council tax discount or exemption to which they may be entitled or a claim for Council Tax Support, or additional financial assistance, they will be advised, and where necessary assisted, in making a claim to maximise their income, before their claim for EHP will be decided.
- 3.8 An award of EHP cannot be awarded for the following circumstances:

#### **4. What an Exceptional Hardship Payment cannot help with**

##### 4.1 A EHP cannot help with the following

- For any other reason than to reduce Council Tax Liability
- Where the council considers that there are unnecessary expenses/debts etc. and that the client has not taken reasonable steps to reduce them
- To reduce any CTRS overpayment
- A shortfall caused by the Department of Work and Pensions sanction or work/interview/training opportunities
- When CTRS is suspended
- Where full Council Tax liability is already being met by Council Tax Reduction
- To pay for any additional council tax caused through the failure of the applicant to notify of a change in circumstances in a timely manner or where the applicant has failed to act correctly or honestly.
- Court Costs for non-payment of Council Tax or Administrative Penalties

#### **5. Awarding an Exceptional Hardship Payment**

##### 5.1 In making a decision the following factors will be considered:

- The shortfall between the CTR and Council Tax Liability
- Steps taken by the applicant to reduce their Council Tax liability
- The financial and medical circumstances (including ill health and disabilities) of the applicant, his or her partner, any dependants, and any other occupants of the applicant's home
- Changing payment methods, re-profiling Council Tax instalments or setting alternative payment arrangements to make them affordable
- Ensure all discounts, exemptions and reductions are granted
- Any savings or capital that might be held by the applicant or his or her family, irrespective of whether the capital is disregarded under the Council Tax Reduction scheme

- The income and expenditure of the applicant, his or her partner and any dependants or other occupants of their home. If information being requested is not provided the council may refuse the application.
- The impact on the applicant and the council if the application is refused
- All income may be considered, including those which are disregarded for CTR
- If there has been a previous award of EHP
- The length of time they have lived in the property
- The exceptional nature of the applicant's circumstances

5.2 The Benefits Service will consider the above factors, which is not exhaustive, and decide on the level of EHP to award. Any award will not exceed the total eligible council tax.

5.3 Any award of Exceptional Hardship Payment does not guarantee that a further award will be considered.

## **6. Amount and duration of award**

6.1 The duration and the amount of the award are determined at the discretion of the Council and will be based on the evidence supplied and the circumstances of the claim. The start date of the award will normally be:

- the Monday after the claim for an EHP is received by the council,
- an earlier date if the Benefits Service considers reasonable

6.2 The maximum length of the award will:

- not exceed the end of the financial year in which the award is given.
- the award may be ended early if the circumstances of the applicant change which means they are no longer considered to be in exceptional financial hardship.

## **7. Notifying an award of Exceptional Hardship Payment**

7.1 On receipt of an application for EHP the council will aim to inform the applicant of its decision within one month.

7.2 Where the application is successful the council will notify the applicant and advise:

- The amount awarded and credit the Council Tax Account
- A demand notice with the revised balance and instalments due
- The start and end date of the award and the need to re-apply on expiry if appropriate
- The requirement to report any changes in circumstances

7.3 Where the application is not successful, the council will write to the applicant and explain the reasons for the decision and give the right for a review.

## **8. Appeals**

8.1 EHP awards are not payments of Council Tax Reduction and are therefore not subject to appeal. However, the council will operate the following approach following a refusal to award an EHP or a decision not to backdate an award of EHP.

- 8.2 An applicant (or appointee) who disagrees with a EHP decision can request an explanation of the decision. This must be done by e-mail, letter, or phone within one month of the date of the decision. The Benefits Service will explain its decision to the applicant and aim to resolve the matter.
- 8.3 Where the applicant disagrees with the decision this must be done by e-mail, letter, or phone within one month of the date of the decision. This decision will be made by the Service Manager Revenues and Benefits. This decision is final and may only be challenged via judicial review or by complaint to the Local Government Ombudsman.
- 8.4 In exceptional circumstances the one-month time limit to appeal a decision can be extended.

## **9. Changes in Circumstances**

- 9.1 On awarding a EHP the applicant must notify the council of any changes in circumstances to the Benefits Service straight away. The Benefits Service may revise the award of EHP or decide to end the award, for example where the applicant has misrepresented or failed to disclose a material fact, or where they no longer need financial assistance towards paying their council tax.
- 9.2 The decision will be notified to the applicant within 14 days, or as soon as reasonably practical.

## **10. Overpayments**

- 10.1 The council will seek to recover any EHP award which has been overpaid as a result of misrepresentation or failure to disclose a material fact, fraudulently or otherwise. This is normally done by sending a revised Council Tax bill.
- 10.2 The council does have discretion not to recover an overpayment of EHP.
- 10.3 The Benefits Service will notify the applicant of a decision to recover an overpayment of EHP, along with details on how to request a review of the decision.

## **11. Fraud**

- 11.1 The Council is committed to protect public funds and ensure funds are awarded to the people who are rightfully eligible to them.
- 11.2 An applicant 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.
- 11.3 Where the Council suspects that such an offence may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings being instigated. This may lead to the council issuing a penalty under regulations 11, 12 & 13 of the Council Tax Reduction scheme (Detection of Fraud and Enforcement) Regulations 2013.

## **12. Complaints**

- 12.1 The Council's "Feedback, comments and complaints" procedure is available on the Council's website and will be applied if a complaint is received about this policy or administration of the scheme.

## **13. Publicity**

- 13.1 The council will publicise the scheme and work with partner organisations, including the Council Tax team, Housing, Social Services, Citizens Advice and Housing Associations.

## **14. Policy Review**

- 14.1 This policy will be reviewed every 3 years, or sooner in the event of a relevant change in legislation or guidance.