

# FAREHAM

BOROUGH COUNCIL

COUNCIL TAX SUPPORT  
EXCEPTIONAL HARDSHIP FUND POLICY  
2013/14

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## Introduction

Fareham Borough Council recognises the importance of protecting our most vulnerable customers from the effects of the change in the laws relating to Council Tax and has therefore designed our Council Tax Support scheme to take account of the various statutes that currently protect vulnerable people, including the Equality Act 2010.

The Council has set up an Exceptional Hardship Fund to assist our customers who are in receipt of Council Tax Support and are facing 'exceptional hardship' as a result of the abolition of Council Tax Benefit. The Exceptional Hardship Fund will be available to any customer whose award of Council Tax Support does not meet 100% of their Council Tax liability (after taking into account any appropriate discounts and non-dependant deductions).

This policy has been created to ensure that any extra protection is offered on a fair and consistent basis, and is available to those customers most in need because they are unable to improve their financial situation in the short term. The Council accepts that changes to the level of support generally could cause financial hardship, and whilst not defined in this policy, 'exceptional hardship' should be considered as 'hardship beyond that which would normally be suffered'.

The Exceptional Hardship Fund is locally funded and any offers of support are at the sole discretion of Fareham Borough Council.

## Purpose of this Policy

The purpose of this policy is to specify how the Council will operate the scheme, provide details of the application process and indicate a number of factors, which will be considered when deciding if an Exceptional Hardship Fund payment can be made.

It should be noted that where the Council has a discretionary power, it must not restrict its discretion by having a set of rules that are inflexible. Each case must be considered on its own merits, determined within the budget provided and administered under the framework set out in this policy.

## Policy Objectives

The Council 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 and to enable them to “bridge the gap” during this time, whilst the applicant seeks alternative solutions
- Support people in managing their finances
- Help customers through personal crises and difficult events that affect their finances.

- Prevent exceptional hardship
- Support those who are trying to help themselves financially

## **Key Features of the Exceptional Hardship Fund**

The key features of the Exceptional Hardship Fund are as follows:

- Exceptional Hardship Fund payments are paid under the terms of S13a of the Local Government Finance Act 1992; payments are a discretionary discount and not payments of Council Tax Support.
- Payments will only be available from 1 April 2013 and will not be available for any other debt other than outstanding Council Tax
- The operation of the Fund will be at the sole discretion of the Council and will be administered by the Revenues & Benefits Service
- There is no statutory entitlement to payments from the Fund although the Revenues & Benefits Service will consider all requests for assistance
- Each case will be treated on its own merits and all customers will be treated fairly and consistently
- Exceptional Hardship Fund payments are designed to provide short-term assistance whilst the customer puts alternative solutions in place, and
- All customers will be expected to engage with the Revenues & Benefits Service and Fareham Citizens Advice Bureau (designated Budgeting and Benefits Case Work Advisor) and provide the required evidence to support their request for assistance

Exceptional Hardship Fund payments cannot be awarded for the following circumstances:

- Where the full Council Tax liability is being met by Council Tax Support
- Where the Revenues & Benefits Service considers that there are unnecessary expenses/debts etc which the customer has not taken reasonable steps to reduce
- For any other reason, other than to reduce Council Tax liability
- To reduce any Council Tax Support recoverable overpayment
- To cover Council Tax arrears from any previous year.
- Where appropriate supporting evidence has not been provided and advice has not been sought from the CAB;

## **Requesting an Exceptional Hardship Fund payment**

Customers who consider themselves as being in exceptional hardship and therefore wish to apply for additional financial support should contact the Revenues & Benefits Service to give details of the financial hardship they are experiencing which limits their ability to meet their Council Tax liability. The Revenues & Benefits Service will ensure that all relevant discounts, exemptions and reductions have been granted to ensure the Council Tax liability is correct. The Revenues & Benefits Service will also consider changing the payment methods, re-profiling Council Tax instalments or setting alternative payment arrangements in order to make them affordable for the customer. If it still appears that additional financial support is required, then the following steps will then be taken:

- The Revenues & Benefits Service will gather basic information about the customer's income and expenditure
- If it appears that the granting of additional financial assistance is appropriate, then the Revenues & Benefits Service will advise the customer of this and make a formal referral to the Citizens Advice Bureau Case Work Advisor
- Following the completion of the Citizens Advice Bureau budget sheet (see Appendix A), the Case Work Advisor will work with the customer to produce a Financial Statement, prioritise their debts and discuss the options available to them to enable them to manage their finances more effectively
- The Case Work Advisor will make a recommendation to the Revenues & Benefits Service and provide supporting evidence
- The Revenues & Benefits Service will decide whether or not to make an Exceptional Hardship Fund payment, and how much any payment might be

## **Awarding an Exceptional Hardship Fund payment**

When making a decision the Revenues & Benefits Service will consider:

- The shortfall between Council Tax Support and Council Tax liability
- The difficulty experienced by the customer that prohibits them from being able to meet their Council Tax liability, and the length of time this difficulty will exist
- The steps taken by the customer to implement the recommendations made to them by the Citizens Advice Bureau Case Work Advisor
- 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 exceptional nature of the customer and/or their family's circumstances that impact on finances

Requests for assistance may be refused, or the level of award reduced, if:

- The Revenues & Benefits Service does not consider the customer's circumstances to be exceptional
- The customer has failed to engage fully with the Citizens Advice Bureau Case Work Advisor or comply with any recommendations made
- The Revenues & Benefits Service considers that the customer can make financial savings in other areas of expenditure or outgoings
- The customer's expenditure is considered unreasonable or excessive in any area

These lists are not exhaustive and other relevant factors and special circumstances may be considered to achieve fair and consistent application of this policy.

Awards will be in the form of a one off "payment" made directly into the customer's Council Tax account, thus reducing the amount of Council Tax due. No payment will be made in cash to the claimant, or exceed a value equal to 12 weeks of the customer's Council Tax liability (after taking into account any appropriate discounts and non-dependant deductions).

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

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

In any event, the total granted to a customer in a single financial year will not exceed a value equal to 12 weeks of the customer's Council Tax liability (after taking into account any appropriate discounts and non-dependant deductions)

### **Notification of an Exceptional Hardship Fund payment**

The Revenues & Benefits Service 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.

### **Changes in the customer's circumstances**

The Revenues & Benefits Service may revise an award from the Exceptional Hardship Fund where the customer's circumstances have changed resulting in either an increase or a reduction in their Council Tax Support entitlement

All customers who receive a payment from the Exceptional Hardship Fund are required to tell the Revenues & Benefits Service of any changes in circumstances that may be relevant to their on-going claim for Council Tax Support and provide documentary evidence where requested.

## **Overpaid Exceptional Hardship Fund payments**

Overpaid Exceptional Hardship Fund payments will be recovered directly from the customer's Council Tax account, thus increasing the amount of Council Tax due. Overpayments may occur where the Revenues & Benefits Service has made a payment from the Fund (or a higher payment that it might otherwise have done) as a result of false, inaccurate, incomplete or misleading information provided by the customer (or by another person on the applicant's behalf or at their request), or as a result of an administrative error by the Revenues & Benefits Service.

## **Appeals**

As payments under the Exceptional Hardship Fund are entirely discretionary there is no right of appeal to external bodies, such as the Valuation Tribunal Service. However if the customer is not satisfied with the Revenues & Benefits Service decision then an appeal can be made within one month of notification. That appeal must state reasons for the disagreement with the decision and provide evidence of income or expenditure different to that considered at the first decision.

The Director of Finance & Resources will consider the case and respond in writing within one month of the appeal.

## **Fraud**

The Council is committed to protecting public funds and will ensure that any financial assistance awarded through the Exceptional Hardship Fund is only to those who have a true need for it.

Where a customer has failed to provide information or has knowingly supplied false or misleading information, the Council reserves the right to investigate any alleged offences, to levy penalties in accordance with the law and to prosecute anyone who has committed a criminal offence.

## **Legislation**

The following legislation and regulations are relevant to the Exceptional Hardship Fund

- The Local Government Finance Act 2012
- The Local Government Finance Act 1992
- The Child Poverty Act 2010
- The Equality Act 2010
- The Housing Act 1996
- The Council Tax Reduction Schemes (Prescribed Requirements)(England) Regulations 2012

- Fraud Act 2006

### **Monitoring and review**

Exceptional Hardship Fund applications and outcomes will be reported to the Head of Revenues & Benefits every month.

Periodic statements will be produced for the Director of Finance and Resources in order to monitor the payments made from the Fund.

The Exceptional Hardship Fund scheme will be kept under review to ensure that it remains fair, equitable and affordable.



**Client Budget Sheet**

<b>INCOME</b>		<b>£</b>	<b>Period</b>
<b>Salary/Wages</b>			W/M/Q/A
	Client's salary or wages (take home)		
	Partner's salary or wages (take home)		
	Other income		
	Other income		
<b>Other income</b>	Maintenance or child support		
	Boarders or lodgers		
	Non-dependant contributions		
	Student loans and grants		
	Other		
<b>Benefits</b>	JSA (income based)		
	JSA (contribution based)		
	Income Support		
	WTC		
	CTC		
	Child Benefit		
	Incapacity benefit/SSP/ESA		
	DLA/AA		
	Carer's allowance		
	Housing benefit		
	Council tax benefit		
	Other (eg maternity Allowance/SMP)		
	Other		
<b>Pensions</b>	State pension		
	Private or work pension		
	Pension credit		
	Other		
<b>ASSETS</b>	<b>House or flat</b>		
	Total value of property(ies)		
	Mortgage outstanding		
	Secured loans outstanding		
	<b>Other assets</b>		

	Value of Vehicle(s) less HP outstanding		
	Savings		
	Other assets		
	<b>Total Income</b>	<b>£</b>	

<b>EXPENDITURE</b>		<b>£</b>	<b>Period</b>
Essential expenditure	Rent		
	Ground rent and service charges		
	Mortgage		
	Secured Loan		
	Mortgage endowment and MPPI		
	Building and contents insurance		
	Pension and life insurance		
	Council Tax		
	Gas		
	Electricity		
	Water		
	Other utilities (coal oil, calor gas)		
	TV licence		
	Magistrate's court fine		
	Maintenance or child support		
	Hire Purchase/conditional sale		
	Childcare costs		
	Adult care costs		
	Other		
	Other		
Phone	Home Phone		
	Mobile Phone		
	Other		
Travel	Public Transport (work, school etc)		
	Other (taxis)		
	Car insurance		
	Road tax		
	Fuel (petrol, Diesel, oil)		
	MOT and car maintenance		

	Breakdown or recovery		
	Parking charges or tolls		
	Other		
Housekeeping	Food and milk		
	Cleaning and toiletries		
	Newspapers and magazines		
	Cigarettes and tobacco		
	Alcohol		
	Laundry and dry cleaning		
	Clothing and footwear		
	Nappies and baby items		
	Pet food		
	Other		
Other expenditure	Health (dentist, glasses, prescriptions)		
	Repairs/house maintenance		
	Hairdressing/hair cuts		
	Cable/Satellite and internet		
	TV Video and other rentals		
	School meals/work meals		
	Pocket money/school trips		
	Lottery and pools		
	Hobbies/sport/leisure		
	Gifts		
	Vet bills		
	Other		
	<b>Total Expenditure</b>	<b>£</b>	

Total Income (page 1)	
Total outgoings (page 2)	
Surplus income	

**PLEASE ENSURE YOU BRING IN THE LATEST STATEMENTS / LETTERS FROM ALL CREDITORS LISTED BELOW**

**Priority Debts**

<b>Who is the money Owed to?</b>	<b>Type of debt e.g. council tax, rent, mortgage, court fine</b>	<b>Reference No</b>	<b>Amount owed and any repayment offer already arranged</b>
<b>Total</b>	<b>£</b>		

**Non Priority Debts**

<b>Who is the money Owed to?</b>	<b>Type of debt e.g. overdraft, credit card, loan, store card</b>	<b>Reference No</b>	<b>Amount owed</b>
<b>Total</b>	<b>£</b>		