



# **Mid Devon District Council Council Tax Reduction Exceptional Hardship Policy**

1.0	Background.....	3
2.0	Exceptional Hardship and Equalities .....	3
3.0	Purpose of this policy .....	4
4.0	The Exceptional Hardship Process.....	4
5.0	Awarding an Exceptional Hardship.....	5
6.0	Publicity .....	6
7.0	Claiming an Exceptional Hardship discount.....	6
8.0	Changes in circumstances.....	6
9.0	Duties of the applicant and the applicant’s household .....	6
10.0	The award and duration of an Exceptional Hardship Discount .....	6
11.0	Discount.....	7
12.0	Exceptional Hardship award overpaid or incorrectly paid .....	7
13.0	Notification of Discount.....	7
14.0	Appeals .....	7
15.0	Fraud.....	7
16.0	Complaints.....	8
17.0	Policy Review .....	8

## 1.0 Background

- 1.1 An Exceptional Hardship Policy has been created by the Council to assist customers who have applied for Council Tax Reduction who are facing 'exceptional hardship'.
- 1.2 This is to provide further assistance where an applicant is in receipt of Council Tax Reduction but the level of support being paid by the Council does not full Council Tax meet their liability.
- 1.3 Exceptional Hardship will be available to any applicant (either working age or pension age, where their daily award of Council Tax Reduction does not meet 100% of their Council Tax liability (less any appropriate discounts).
- 1.4 The main features of the policy are as follows:
- (a) The operation of the policy will be at the total discretion of the Council;
  - (b) The policy will be operated by the Revenues and Benefits section on behalf of the Council;
  - (c) The Exceptional Hardship scheme falls within S13A 1 A of the Local Government Finance Act 1992 and forms part of the Council Tax Reduction scheme;
  - (d) Exceptional Hardship discounts in this policy version will only be available from 1 April 2023 and **will not be available for any other debt other than outstanding Council Tax**;
  - (e) A pre-requisite to receive a discount is that an application for Council Tax Reduction has been made or within one month where an application for Council Tax Reduction has been made but the applicant has nil award;
  - (f) An award will be limited to the commencement of the financial year in which the application was made. In **all** cases where a backdate is considered, the reasons for the exceptional hardship must be proven for the whole of the period requested ;
  - (g) Exceptional Hardship is designed to help the 'applicant' only and it is expected that any amount awarded will be for a short term only; and
  - (h) All applicants will be expected to engage with the Council and undertake the full application process. Failure to do so will mean that no discount will be made.

## 2.0 Exceptional Hardship and Equalities

- 2.1 The creation of an Exceptional Hardship Policy facility meets the Council's obligations under the Equality Act 2010.
- 2.2 The Council recognises the importance of protecting our most vulnerable customers. 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.
- 2.3 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 discount made will be at the total discretion of the 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 the 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 award 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, provide details of their business including business accounts;
- (d) Accept assistance from either the Council or third parties such as Citizen Advice 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 applicant;
- (f) Assist the Council to minimise liability by ensuring that all discounts, exemptions, and support 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 the 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 applicant seeks alternative financial or debt 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 the 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 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 where penalties have or may be applied under the Council Tax legislation; and
- To cover previous years Council Tax arrears

## 5.0 Awarding an Exceptional Hardship

5.1 The Council will decide whether or not to make an Exceptional Hardship award, the amount of any award and the period for which it will cover.

5.2 When making this decision the 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 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 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 on a case by case basis

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 award may be less than the difference between the Council Tax liability and the amount of Council Tax Reduction paid. The level of award may be nil if the authority feels that, in its opinion, the applicant is not suffering 'exceptional

hardship' or where the applicant has failed to comply with the Exceptional Hardship process.

## **6.0 Publicity**

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

## **7.0 Claiming an Exceptional Hardship discount**

7.1 An applicant must make a claim for Exceptional Hardship by submitting an application to the Council. The application form can be obtained via the Council's website in the first instance; however you can obtain the form by calling Customer Services or in person at the Council offices.

7.2 Applicants can get assistance with the completion of the form from Customer Services at the Council, supported by the Revenues and Benefits Service for technical advice.

7.3 The application form must be fully completed and supporting information or evidence provided, as reasonably requested by the Council. Supporting evidence needs to be provided within one calendar month of the application being submitted.

7.4 In most cases the person who claims Exceptional Hardship 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 by the authority.

## **8.0 Changes in circumstances**

8.1 The 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 applicant and the applicant's household**

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

- Provide the Council with such information as it may require to make a decision;
- Tell the Council within 21 days of any changes in circumstances that may be relevant to their ongoing claim; and
- Provide the Council with such other information as it may require in connection with their claim.

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

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

10.2 The start date of such a discount and the duration of any discount will be determined by the 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.

10.3 The level of support for Exceptional Hardship shall be limited a maximum of 50% of the loss when compared to the previous year's reduction. The amount awarded will be used to reduce the balance of Council Tax owed. If discounts have been received the support will be applied to the balance net of discounts made. Support cannot be used to generate credits as such there will be no refunds.

### **11.0 Discount**

11.0 Any Exceptional Hardship discount will be made direct onto the customer's Council Tax account, thereby reducing the amount of Council Tax payable. It should be noted that the maximum level of award is as determined in 10.3 above.

### **12.0 Exceptional Hardship award overpaid or incorrectly paid**

12.1 Any Exceptional Hardship award which is either overpaid or awarded incorrectly will be recovered directly from the applicant's Council Tax account, thus increasing the amount of Council Tax due and payable.

### **13.0 Notification of Discount**

13.1 The Council will notify the outcome of each application for any Exceptional Hardship award.

### **14.0 Appeals**

14.1 Exceptional Hardship awards are granted under S13A1A 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 the Council who will review any decision. Ultimately any decision can be considered by the Valuation Tribunal Service, their role is to make sure that the policy has been applied correctly.

### **15.0 Fraud**

15.1 The Council is committed to protect public funds and ensure funds are awarded to the people who are rightfully eligible to them.

15.2 An applicant who tries to fraudulently claim an Exceptional Hardship 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.

15.3 Where the 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 The Council's 'Compliments and Complaints Procedure' (available on the Council's 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 regularly and updated as appropriate to ensure it remains fit for purpose.