



**COUNCIL TAX SUPPORT-  
EXCEPTIONAL HARDSHIP FUND  
POLICY**

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## **1. BACKGROUND**

The Exceptional Hardship Fund (EHF) has been set up by Surrey Heath Borough Council to assist with covering the shortfall between Council Tax liability and payments of Council Tax Support.

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 awards are discretionary
- Customers do not have a statutory right to an award
- The Exceptional Hardship Fund Policy is held within the main Council Tax Support scheme
- Exceptional Hardship Fund awards are not a payment of the main Council Tax Support
- It is a cash limited fund
- The Revenues and Benefits Service decides how the Fund is administered
- Council Tax Support must be in payment in the week in which an Exceptional Hardship Fund award is made or the applicant must have been in receipt of Council Tax Benefit on 31 March 2013.
- Exceptional Hardship Fund awards cannot be made to settle arrears of Council Tax.

## **2. EXCEPTIONAL HARDSHIP FUND AND EQUALITIES**

The creation of an Exceptional Hardship Fund meets Surrey Heath Borough Council's obligations under the Equalities Act.

Surrey Heath recognises the importance of protecting our most vulnerable customers and also the impact these changes 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, and not support a lifestyle.

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

The purpose of this policy is to specify how Surrey Heath Borough Council's Revenues and Benefits Service 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 the accessibility to the Fund and also the decisions made with applications.

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 Funds will be decided.

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

The Revenues and 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 and to enable them to “bridge the gap” during this time.
- Support people in managing their finances
- Help customers through personal crises and difficult events that affect their finances.
- Prevent exceptional hardship
- Help those who are trying to help themselves financially
- Alleviate poverty
- Sustain tenancies and prevention of 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 cannot be awarded for the following circumstances:

- Where full Council Tax liability is being met by Council Tax Support
- 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 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 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 Revenues and Benefits Service will decide whether or not to make an Exceptional Hardship Fund award, and how much any award might be.

When making this decision the Revenues and Benefits Service will consider:

- The shortfall between Council Tax Support and Council Tax liability
- 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
- Ensure that all discounts, exemptions and reductions are granted
- Steps taken by the customer to establish whether 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
- 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 dependants and any other occupants of the customer's home
- The 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 dependants or other occupants of the customer's home
- How deemed reasonable expenditure exceeds income
- All income may be taken into account, including those which are disregarded when awarding Council Tax Support
- Any savings or capital that might be held by the customer or their partner or other relevant family member
- Other debts outstanding for the customer and their partner
- Whether the customer has already accessed or is engaging for assistance with budgeting and financial/debt management advice.
- An Exceptional Hardship Fund award may not be made until the customer has accepted assistance from the Council or a third party, such as the Citizens Advice Bureau or similar organisations, to enable them to manage their finances more effectively, including the termination of non-essential expenditure.
- 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 from the 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.

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

## **6. ELIGIBILITY**

### **Who can apply?**

All persons liable to pay Council Tax in Surrey Heath and who are in receipt of Council Tax Support can apply, including:

- Owner occupiers;
- Tenants;
- Persons acting on behalf of a liable person i.e. an appointee, solicitor or someone with power of attorney.

### **Who cannot apply?**

Any person not liable to pay Council Tax on a dwelling and/or not eligible to claim Council Tax Support in Surrey Heath including:

- Landlords of properties where the tenant is liable;
- Landlords if liable (for example the landlord of a HMO);
- Estate agents/managing agents on behalf of a landlord;
- Friends/relatives of the liable person (unless acting as an appointee or under a power of attorney);
- Lodgers or other residents who are not liable to pay Council Tax;
- Support agencies (unless acting as an appointee or under a power of attorney);
- Banks or other holders of a mortgage or other legal charge on a property;
- Owners of empty properties;
- Any tenant or owner occupier not eligible to claim Council Tax Support in Surrey Heath.

Only one application can be considered at any one time.

## **7. MAKING A CLAIM**

A customer must make a claim for an Exceptional Hardship Fund award by submitting an application to Surrey Heath Borough Council. Customers can get assistance with the completion of the form from the Revenues and Benefits Service in the contact centre at the Council.

The application must be fully completed and supporting information or evidence provided, as reasonably requested by the Council.

In most cases the person who claims the Exceptional Hardship Fund award will be the person entitled to Council Tax Support. However, a claim can be accepted from someone acting on another's behalf, such as an appointee, if it is considered reasonable.

## **8. CHANGE OF CIRCUMSTANCES**

The Revenues and Benefits Service may revise an award from the 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 making a decision.
- Tell the Council of any changes in circumstances that may be relevant to their on-going claim.
- Give the Council such other information as it may require in connection with their claim.
- Sign a declaration stating that the information is true and complete and agree that the Council may verify the information

## **10. AMOUNT AND DURATION OF AWARD**

Both the amount and the duration of the award are determined at the discretion of Surrey Heath Borough Council, and will be done so on the basis of the evidence supplied and the circumstances of the claim

The start date will usually be the Monday after the written claim for an Exceptional Hardship Fund award is received by the Revenues and Benefits Service. The Exceptional Hardship Fund will normally be awarded for a minimum of one week

The maximum duration an award can be given for is to the end of the financial year in which the award is granted.

Surrey Heath Borough Council has the right to amend, suspend or cancel any Exceptional Hardship Fund award as necessary or appropriate

## **11. PAYMENT OF AWARD**

Any Exceptional Hardship Fund award will be made directly to the customer's Council Tax account, thus reducing the amount of Council Tax payable.

The Exceptional Hardship Fund award cannot reduce the Council Tax payable to less than £0.00

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

Overpaid Exceptional Hardship Fund awards 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 awards in writing. The notification will include the reason for the decision and advise the customer of their appeal rights.

## **14. THE RIGHT TO APPEAL**

If the customer is not satisfied with:

- The decision in respect of an application for an Exceptional Hardship Fund award,
- A decision to reduce the amount of Exceptional Hardship Fund award,
- A decision to stop an award or
- A decision that there has been an overpayment of an Exceptional Hardship Fund award,

They must make written representation to Surrey Heath Borough Council setting out their grounds for appeal.

Surrey Heath Borough Council will consider the appeal and respond in writing, setting out the decision and associated reasons for the decision.

Any request for an appeal must be made within one month of the date of the notification letter confirming the original decision.

## **15. FRAUD**

The Revenues and Benefits Service is committed to protect public funds and ensure funds are awarded to the people who are rightfully eligible to them.

A customer 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.

Where the Revenues and Benefits Service suspects that such an offence may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings being instigated.



## **16. LEGISLATION**

Section 10 of the Local Government Finance Act 2012 amends section 13A of the Local Government Finance Act 1992 and sets out the requirement for Council's to develop and adopt a localised Council Tax Support scheme. This Exceptional Hardship Fund Policy forms part of this scheme.

## **17. COMPLAINTS**

Surrey Heath Borough Council's 'Complaints Procedure' (available on our website) will be applied in the event of any complaint received about this policy.

## **18. POLICY REVIEW**

This policy will be reviewed at least 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.