

## Guidance Notes for the Council Tax Exceptional Hardship Fund (CTEHF)

Section 13A(1)(c) of the Local Government Finance Act 1992, as amended by Section 10 of the Local Government Finance Act 2012, provides the council with the discretion to reduce liability for council tax in relation to individual and/or classes of cases that it may determine and where national exemptions and discounts cannot be applied, by granting a discretionary discount.

The CTEHF has been set up by the council to assist applicants with council tax who are facing 'exceptional hardship' due to the cost-of-living crisis. The fund has been created to provide further assistance where an applicant (whether pension or working age):-

- is in receipt of council tax support (CTS) but the level of support being paid by the councils does not meet their full council tax liability, or
- is experiencing short-term extreme financial hardship, due to unforeseen factors outside of their control resulting from the cost-of-living crisis.

In all cases it will be expected that CTS is applied for and, where an applicant has failed to qualify, then evidence of their exceptional circumstances, including full details of their income/expenditure must be supplied for consideration. This includes recommended referrals of potential suitable cases from financial advice organisations, such as Citizens Advice.

The CTEHF scheme fund has financial limitations and, as such, awards can only be made based on eligibility and having regard to the level of funding available. If available funds have been exhausted from the CTEHF no further awards will be made.

The CTEHF will close on **31 March 2024** all awards need to be allocated by the scheme deadline.

The full CTEHF policy is available on the council's web page.

### Financial implications

The cost of awarding a Section 13A discount has to be met by South Oxfordshire District Council. However, the County Council will provide match funding to establish the fund to help residents. The council will therefore need to balance the needs of the individual council taxpayer against the interests of other local council taxpayers who have to meet the cost of any discount granted. Any discount awarded will only be intended to provide short term help to alleviate financial hardship.

## **Applying for a Discount**

The discount is discretionary so there is no statutory right to an award.

The applicant must be liable for the council tax charge. Where such a person is unable to act for themselves, a suitable third party may act on their behalf.

All applicants will be expected to engage with the council or 3rd party (such as the Citizens Advice or other advice organisations) acting on behalf of the council and undertake the full application process. Failure to do so will inevitably mean that no payment will be made.

An application form must be completed and is available on the council's web page or from the council tax department.

## **Guidance for assessing an application**

Each application will be considered on its own merits and have regard to the factors outlined below:

- The shortfall between CTS and council tax liability
- Whether the applicant has engaged with the CTEHF application process
- If a Discretionary Housing Payment (DHP) for housing benefit or universal credit housing element has already been awarded to meet a shortfall in rent.
- Applications for CTEHF should be one of last resort. Applicants will be expected to have explored and secured any lawful entitlement to other benefits, incomes and reductions in preference to claiming CTEHF
- The personal circumstances, age and medical circumstances (including ill health and disabilities) of the applicant, their partner, any dependents 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 length of time they have lived in the property
- Shortfalls due to non-dependant deductions
- All income received by the applicant, their partner, and any member of their household irrespective of whether the income may fall to be disregarded under the CTS scheme.
- Any savings or capital which could be released in the short-term that might be held by the applicant, their partner, and any member of their household irrespective of whether the capital may fall to be disregarded under the CTS scheme.
- The expenditure of the applicant, their partner and any dependants or other occupants of the applicant's home
- How reasonable expenditure exceeds income

- The applicant or household does not have access to any other financial assets that could be realised to pay the council tax
- Other debts outstanding for the applicant and their partner
- The exceptional nature of the application and/or their family's circumstances that impact on finances
- Any previous CTEHF applications made, successful or otherwise, or other discretionary financial awards, such as DHP.
- The amount available in the CTEHF at the time of the application.
- The amount outstanding is not as a result of wilful refusal, culpable neglect or fraud.
- Applicants will need to ensure they are able to satisfy the council that they have taken all reasonable steps to resolve their own situation prior to award.
- There is evidence of exceptional financial hardship that justifies an award
- The applicant or household has supplied all evidence requested by the councils, Citizens Advice or other advice organisations

The above list is not exhaustive and other relevant factors and special circumstances may be considered.

Awards will be made directly by way of a discount applied to the council tax account thereby reducing the amount of council tax payable.

An award of CTEHF does not guarantee that a further award will be made at a later date, even if the applicant's circumstances have not changed.

### **Application Procedure**

Once the completed application form has been received by the council tax department it will be passed to the council's Revenues & Benefits Client Team.

The Revenues & Benefits Client Team will review the application and will determine initially if there are grounds for granting a discount under the CTEHF or whether the application should be refused.

The Revenues & Benefits Client Team will report their findings for approval to the Revenues & Benefits Manager. If a recommendation is made to grant a discretionary discount this should specify the level of the discount either as a percentage or in monetary terms.

Where appropriate, this recommendation should indicate if the particular circumstances of the case may apply to other existing and future taxpayers where it may be appropriate for the council to determine a class of properties allowing for discounts to be given automatically.

The Revenues & Benefits Manager will either accept or reject the recommendation and could refer it back to the Revenues & Benefits Team for more information.

## **Period of award**

The discretionary discount will be granted for a specific period. A discount will only be granted within the financial year in which the application is made and will terminate when either the applicant is no longer entitled to the discount or at the end of a prescribed period.

The discount is intended to assist with the council tax liability for the short term only.

## **Amount of discount**

The discount will be calculated against the daily council tax liability after deducting any other reliefs, discounts or council tax support and will not exceed that figure.

The discount to be awarded is entirely at the council's discretion and can be 0%-100%.

## **Notification of a decision**

The applicant will be notified in writing of a decision within 28 days of receipt of the application. The decision notice will include reasons for the decision. If a discount is granted, the notice will include the amount of the discount and the period for which it is granted.

Any discount will be credited to the applicant's council tax account.

## **Review of a decision**

The council will accept an applicant's written request, signed by the applicant or their authorised representative, for a review of its decision within one calendar month of the decision notice. To do this, you must explain what you object to and why.

The councils may consider a review request if it is made outside one calendar month if the applicant can show continuous good cause for the delay in making the request throughout the period.

There is no right for review where:-

- the council has already reviewed the application
- for any day on which they have received 100% discount or exemption of their liability
- where the council has no remaining budget provision
- in any case where the council was under no duty to make a decision

The review will be undertaken by the Revenues & Benefits Manager.

If your argument is not accepted; you are not satisfied with the reply; or, after two months you have not had a reply, you can appeal to the Valuation Tribunal for England. Details of how to appeal to the Valuation Tribunal can be found here: -

<https://www.valuationtribunal.gov.uk/>

## **Duty to notify changes in circumstances**

Where a discount is granted, applicants are required to notify the council of any relevant changes in their circumstances that could affect the award within 21 days.

Examples of these changes include, but are not limited to:

- If the applicant changes address
- If the applicant or a member of their household leaves their home temporarily or permanently
- If an applicant's or a member of their household's income or capital changes
- If the number and/or circumstances of others in the household changes. In addition, the applicant must inform the council tax and or benefits team:
- If a change to any factor that caused or contributed towards their hardship
- If their hardship ends
- If the severity of their hardship changes
- Of a change to any of the circumstances that were included in the application for the discount.

## **Fraud**

The council will not accept deliberate manipulation and fraud. Any person caught falsifying their records, supplying misleading information or is found to have failed to provide information, the council reserves the right to withdraw any award made under this scheme as an offence may have been committed under The Fraud Act 2006.

The council also reserves the right to prosecute the applicant for false representation.

Examples of circumstances where the council will seek recovery of an overpaid discount include, but are not limited to:

- Misrepresentation or failure to disclose a material fact, whether fraudulently or otherwise
- Failure to notify any relevant change in circumstance whether fraudulently or otherwise
- An error made in the provision of information or evidence or the interpretation of that information or evidence which led to an incorrect award.

Overpayments will generally be recovered directly from the applicant's council tax account, increasing the amount of council tax payable

## **Equalities and Monitoring**

The creation of the CTEHF facility meets the council's obligations under the Equality Act 2010, amended 2018.

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 the CTEHF is intended to help cases of extreme financial hardship and not support a lifestyle or lifestyle choice.

Whilst the definition of 'Exceptional Hardship' is not exactly defined by this policy, it is accepted that reductions to income and/or benefits generally will cause financial hardship. Exceptional Hardship should be considered as 'hardship beyond that which would normally be suffered'.

## **Data sharing and fair processing**

The councils may use any evidence and information supplied to it in respect of CTEHF to check the eligibility of the applicant in respect of this scheme or any other welfare benefit, council tax reduction, discounts or exemptions.

The councils are required by law to protect the public funds they administer. The councils may share information provided to them with other bodies responsible for auditing or administering public funds, in order to prevent and detect fraud. Data will only be shared if the law permits it.