



Council Tax Reduction Exceptional Hardship Policy

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1.0 Background

- 1.1 An Exceptional Hardship Policy has been created by North Devon Council to assist applicants for Council Tax Reduction who are facing 'exceptional hardship'. This is to provide further assistance where an application has been received for Council Tax Reduction but the level of support being paid by the North Devon Council does not meet their full Council Tax liability.
- 1.2 Exceptional Hardship will be available to any applicant where their daily award of Council Tax Reduction does not meet 100% of their Council Tax liability (less any appropriate discounts and non-dependant deductions).
- 1.3 The main features of the policy are as follows:
- The operation of the policy will be at the total discretion of the North Devon Council;
 - The policy will be operated by the Revenues and Benefits section on behalf of North Devon Council;
 - Exceptional Hardship falls within S13A 1 A of the Local Government Finance Act 1992 and forms part of the Council Tax Reduction Scheme;
 - Exceptional Hardship payments will only be available from 1st April 2018 and **will not be available for any other debt other than outstanding Council Tax**;
 - A pre-requisite to receive a payment is that an application for Council Tax Reduction has been made;
 - Where an Exceptional Hardship Payment is requested for a previous period, Exceptional Hardship must have been proven to have existed throughout the whole of the period requested;
 - Exceptional Hardship Payments are designed as a short-term help to the customer only and it is expected that payments will be made for a short term only; and
 - All applicants will be expected to engage with North Devon Council and undertake the full application process. Failure to do so will inevitably mean that no payment will be made.
- 1.4 From October 2024, the Exceptional Hardship Fund has been amended to allow for a special provision for Care Leavers. The provisions of the Care Leaver's scheme is detailed in Section 15 of this policy.

2.0 Exceptional Hardship and Equalities

- 2.1 The creation of an Exceptional Hardship Policy facility meets North Devon Council's obligations under the Equality Act 2010.
- 2.2 North Devon Council recognises the importance of protecting our most vulnerable customers and also the impact the changes imposed by the removal of Council Tax Benefit by Central Government. 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. 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 payment made will be at the total discretion of North Devon 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 North Devon 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 payment 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, details of their business including business accounts must be supplied;
 - (d) Accept assistance from either North Devon Council or third parties such as the CAB 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 customer;
 - (f) Assist North Devon Council to minimise liability by ensuring that all discounts, exemptions and reductions 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 North Devon 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 customer seeks alternative 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 North Devon Council considers that there are unnecessary expenses/debts etc and that the applicant as not taken reasonable steps to reduce these;

- To pay for any arrears of Council Tax Reduction 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
- To cover previous years Council Tax arrears

5.0 Awarding an Exceptional Hardship Payment

5.1 North Devon Council will decide whether or not to make an Exceptional hardship award, and how much any award might be.

5.2 When making this decision North Devon 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 fall to 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 fall to 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.

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 payment may be less than the difference between the Council Tax liability and the amount of Council Tax Reduction paid. The level of payment may be nil if the authority feels that, in its opinion, the customer is not suffering 'exceptional hardship' or where the applicant has failed to comply with the Exceptional Hardship process.

6.0 Publicity

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

7.0 Claiming an Exceptional Hardship payment

- 7.1 An applicant must make a claim for an Exceptional Hardship award by submitting an application to North Devon Council. The application form can be obtained via the telephone, in person at one of North Devon Council offices and/or via North Devon Council's website.
- 7.2 Applicants can get assistance with the completion of the form from the Revenues and Benefits Service or from the Customer Services Team at one of the three North Devon Council offices.
- 7.3 The application form must be fully completed and supporting information or evidence provided, as reasonably requested by North Devon Council. The form must be returned within one calendar month of its issue.
- 7.4 In most cases the person who claims the Exceptional Hardship award 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.

8.0 Changes in circumstances

- 8.1 North Devon 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 customer and the customer's household

- 9.1 A person claiming an Exceptional Hardship payment is required to:
- Provide North Devon Council with such information as it may require to make a decision;
 - Tell North Devon Council of any changes in circumstances that may be relevant to their ongoing claim; and
 - Provide North Devon Council with such other information as it may require in connection with their claim.

10.0 The award and duration of an Exceptional Hardship Payment

- 10.1 Both the amount and the duration of the award are determined at the discretion of North Devon Council and will be done so on the basis of the evidence supplied and the circumstances of the claim.
- 10.2 The start date of such a payment and the duration of any payment will be determined

by North Devon 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.

11.0 Payment

11.0 Any Exceptional Hardship payment will be made direct onto the applicant's Council Tax account, thereby reducing the amount of Council Tax payable.

12.0 Overpaid Exceptional Hardship Payments

12.1 Overpaid Exceptional Hardship payments will generally be recovered directly from the applicant's council tax account, thus increasing the amount of council tax due and payable.

13.0 Notification of an award

13.1 North Devon Council will notify the outcome of each application for Exceptional Hardship payment.

14.0 Appeals

14.1 Exceptional Hardship payments are granted under S13A 1A 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 North Devon Council who will review any decision. Ultimately any decision can be considered by an independent Valuation Tribunal.

15.0 Special provisions for Care Leavers

Introduction

15.1 The Council has decided to provide assistance with Council Tax to people who are leaving care. This has been implemented to reflect challenges faced by many care leavers as they learn to budget their finances independently.

15.2 Care leavers are a particularly vulnerable group for Council Tax debt, and as they move into independent accommodation and begin to manage their own budget, it can be a challenging time, exacerbated if they fall behind with Council Tax.

15.3 The Council wants to support care leavers **up to the age of 25**, by the granting of a discretionary reduction of up to 100% of the Council Tax liability. This means that the Council will be providing financial support to care leavers whilst they develop independent lives and life skills.

15.4 Assistance will only be provided to care leavers who reside within the North Devon District Council area.

The Council's Policy in respect of Carer Leavers.

15.5 The Council shall operate the scheme as follows. :

Part 1

This applies to the following:

- (a) Care leavers who are sole occupants of a dwelling and who have liability for Council Tax; or
- (b) Dwellings that are solely occupied by care leavers, where one or more of the residents are liable for council tax.

Part 2

This part applies to the following:

- (a) Care leavers who are jointly and severally liable with one or more other liable person (s) who is/are not a care leaver.

15.6 A reduction in liability will only be applied after the entitlement to other national discounts or reductions have been applied and will only apply to Council Tax liabilities within the North Devon area.

Definition of a Care Leaver for the purposes of this scheme

15.7 The term 'care leaver' is defined in The Children (Care Leavers) Act 2000 and refers to eligible, relevant, and former relevant children:

- The person is someone for whom Devon County Council has acted previously as a corporate parent;
- Relevant children are those young people aged 16 and 17 who have already left care, and who were 'looked after' for at least 13 weeks from the age of 14 and have been 'looked after' at some time while they were 16 or 17; and
- Former relevant children are those young people aged 18, 19 or 20 who have been eligible and/or relevant.

15.8 Care leavers can also be classified as a 'qualifying' care leaver. This category applies to young people who:

- (a) Left care after 1st October 2001, after they had turned 16, but who are not 'eligible' or 'relevant' because they did not fulfil the 13-week criteria;
- (b) Were accommodated, but in residential education, mental/health provision private fostering or Special Guardianship; or
- (c) For the purposes of this policy 'qualifying care leavers' will be treated in the same way as 'care leavers'.

15.9 Additionally former care leavers born before 2001 will be designated as a qualifying care leaver for the purposes of this policy.

15.10 The Council will only consider a reduction in liability where it receives confirmation that the applicant is a Devon County Council Former Relevant Child. The confirmation **must** be received from Devon County Councils Education and Families Team.

Reductions for care leavers falling into Part 1 of this scheme.

15.11 The Council, under this policy, will reduce the amount of Council Tax payable to nil,

after the application of all other discounts or reductions, where a care leaver, as defined in this policy, is **solely liable** for Council Tax, and any other adult residents in the dwelling also meet the definition of care leaver as defined within this policy.

Reductions for care leavers falling into Part 2 of this scheme.

15.12 The Council, under this policy will reduce the amount of Council Tax payable, by applying a reduction of 25%, after the application of all other discounts and reductions.

Exclusions

15.13 This reduction will only apply where the property is occupied. No reduction will apply where premises are no one's sole or main residence or where the premises is defined as a second home.

15.14 Where the care leaver is liable for more than one property, the reduction will only be awarded in respect of the dwelling which is deemed to be their sole or main residence.

15.15 Where a care leaver lives in a household and the dwelling would be deemed exempt from Council Tax if the care leaver did not reside at the property, a 100% reduction will be awarded.

15.16 For the sake of clarity, no reduction will be granted where the care leaver resides in a House in Multiple Occupation (HMO) or where the care leaver resides in a property for which they are not liable for Council Tax.

Changes in circumstances

15.17 The Council may revise any reduction in liability where the applicant's circumstances or situation changes.

The award and duration of a reduction in liability

15.18 Both the amount and the duration of the reduction are at the discretion of the Council and the reduction will be awarded on the basis of the evidence supplied and the circumstances of the individual.

Effective Date

15.19 The effective date of this policy shall be 1st October 2023. However, any care leaver meeting the criteria and who is liable for Council Tax with effect from 1st April 2023 shall have the reduction applied from that date.

16.0 Fraud

16.1 North Devon Council is committed to protecting public funds and to ensure that funds are awarded to the people who are rightfully eligible to them.

16.2 An applicant who tries to fraudulently claim an Exceptional Hardship payment 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.

- 16.3 Where North Devon 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.

17.0 Complaints

- 17.1 North Devon Council's Complaints Procedure (available on the North Devon Council's website) will be applied in the event of any complaint received about this policy.

18.0 Policy Review

- 18.1 This policy will be reviewed on a regular basis and updated as appropriate to ensure it remains fit for purpose. However, a review may take place sooner should there be any significant changes in legislation.