

Report of:	<i>Strategic Director of Finance Governance & Support – James Bromiley Executive Member for Finance & Governance – Councillor Chris Hobson</i>
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Submitted to:	<i>Executive</i>
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Subject:	<i>Amendment to Section 13a Discretionary Hardship Policy</i>
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Summary

Proposed decision(s)
<p><i>(1) That Executive approves the amendment to the Section 13a policy (attached) in response to the announcement from central government in providing a hardship payment to Council Tax Reduction claimants as a consequence of COVID-19</i></p> <p><i>(2) The executive notes an amount of £155.00 to be paid (£5 more than the minimum suggested by Government) to all identified working age recipients of Council Tax Reduction in Middlesbrough</i></p> <p><i>(3) That delegated authority to approve any future similar schemes or modifications to schemes to be given to the Director of Finance, Governance and Support as Section 151 Officer.</i></p>

Report for:	Key decision:	Confidential:	Is the report urgent?¹
<i>Decision</i>	<i>Yes</i>	<i>No</i>	<i>Yes</i>

Contribution to delivery of the 2020-23 Strategic Plan		
People	Place	Business
<i>Provide working age Council Tax Benefit recipients with additional financial support in line with government guidance. This is in response to recent Government COVID-19 initiatives.</i>	<i>NA</i>	<i>It is important to ensure residents of Middlesbrough who cannot afford to pay their full council tax are able to receive a reduction which in some instances will mean they have nothing to pay.</i>

Ward(s) affected

What is the purpose of this report?

1. This report seeks approval for an amendment to the Council's Section 13a policy, under the Local Government Finance Act (LGFA) 1992 (as amended) on reductions not covered under its Council Tax Reduction Scheme.

Why does this report require a Member decision?

2. The power to be exercised under the Local Government Finance Act 1992 (as amended) relates to a class of case in which liability is to be reduced, and its effect will be to reduce the amount of council tax due to be collected by a significant sum.

Report Background

3. On 25 March 2020, Central Government announced that funds would be made available to the Council under Section 31 of the Local Government Finance Act 2003; these funds would be allocated in line with latest caseload reported.
4. The existing Section 13a policy provides the Council with the power to make discretionary payments to Council Tax payers where hardship can be demonstrated and funds remain available.
5. Following the announcement on 25 March 2020, in response to COVID-19, funding of £2.8m has been provided to the Council to support working age council tax support residents with Council Tax payments in respect of the financial year 2020-2021. .
6. Central Government have provided for a minimum payment of £150.00 to be applied to the respective accounts using powers under Section 13a, whilst recognising that each Council may determine an additional sum may be awarded. Should a Council Tax payer's liability for 2020-21 be less than the determined amount, then a lesser amount of Council Tax Support will be applied which would result in a zero bill. No additional application is necessary from the Council Tax payer; neither does the Council Tax payer need to demonstrate that there has been a direct/indirect impact of COVID-19.
7. The Council currently have 13,317 identified working age Council Tax Reduction claims (this figure can increase or decrease during the year depending on the economic climate). Of these claims, circa 5,800 have a balance of £155.00 or less in Council Tax to pay. Applying £150.00 would result in an amount due that would fall below the de minimus amount for Council Tax collection and would not be considered cost effective to pursue. On that basis, it is suggested that the amount to be awarded will be increased to £155.00 amounting to a cost of £2.06 million, which is well within the allocated £2.8m. The remaining £0.74 million will be assigned to any new eligible residents claiming Council Tax Reduction within the 2020/2021 financial year, with the overall funding capped at £2.8m.
8. Indications are that guidance will require the reduction to be applied to each and every account, irrespective of duration. Based on 2019, during which 16,971 accounts included an award of Council Tax Support, and applying a 4.9% increase, the cost of reducing liability by up to £155 would be £2,532,739. This would leave funding available for an additional 1932 awards before the balance of the grant would be consumed (£299.5k).

9. The revised Section 13a policy is attached to this report for consideration.

What decision(s) are being asked for?

10. The Executive approves the amendment to the Section 13a policy (attached) following the announcement from Central Government in providing a hardship payment to Council Tax Reduction claimants in response to COVID-19.

11. The executive notes an amount of £155.00 to be paid (£5 more than the minimum suggested by Government) to all identified working age recipients of Council Tax Reduction in Middlesbrough

12. That delegated authority to approve any future similar schemes or modifications to schemes to be given to the Director of Finance, Governance and Support as Section 151 Officer.

Why is this being recommended?

13. Central Government have provided funding and guidance as to how this funding should be allocated. This will mean, to many Middlesbrough residents, a significant reduction in the amount of Council Tax payable and in many instances the awarding of £155.00 with reduce council tax bills to zero.

Other potential decisions and why these have not been recommended

14. Central Government have provided funding to all Councils with the expectation that this funding is allocated in line with the guidance to those in financial need amid the current situation. As such no other decisions have been considered.

Impact(s) of recommended decision(s)

Legal

15. There are no legal implications regarding this report.

Financial

16. The cost of the scheme has been provided for by funding made available from Central Government.

Policy Framework

17. N/A

Equality and Diversity

15 The vulnerability policy should be read in conjunction with any equality and diversity policies.

Risk

16 There is no risk to the Council. All Council Tax Reduction claimants of working age will be positively impacted, and the funding by Central Government is expected to be sufficient for the purpose.

Actions to be taken to implement the decision(s)

17 That Executive agree to the amendments to the Section 13a Policy.

Appendices

18 Appendix 1 - Letter from Minister of State for Regional Growth and Local Government confirming grant allocation

19 Appendix 2 - Amended Section 13a policy.

Background papers

20 There are no background papers.

Contact: **Janette Savage, Head of Revenues and Benefits.**

Email: Janette_savage@middlesbrough.gov.uk.



Ministry of Housing,
Communities &
Local Government

Council Tax

COVID-19 hardship fund 2020-21 –
Local Authority Guidance



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Ministry of Housing, Communities and Local Government
Fry Building
2 Marsham Street
London
SW1P 4DF
Telephone: 030 3444 0000

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March 2020

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About this guidance

1. This guidance is intended to support billing authorities in using their allocation from the £500m hardship fund announced at the Budget to deliver relief to council tax payers in their area. The funding is for the 2020-21 financial year. Allocations for each billing authority are set out at Annex A.
2. This guidance applies to England only. It outlines the underpinning principles for use of the fund and expected eligibility criteria for delivery of the support package.
3. Any enquiries on this document or use of the fund should be addressed to:
Council.tax@communities.gov.uk

Introduction

4. As part of its response to COVID-19, the Government announced in the Budget on 11 March that it would provide local authorities in England with £500m of new grant funding to support economically vulnerable people and households in their local area.
5. The expectation is that the majority of the hardship fund will be used to provide council tax relief, alongside existing local council tax support schemes. This funding is distinct from the £5bn COVID-19 response fund to support public services.
6. This document provides guidance to authorities about the operation and delivery of the relief.

Underpinning principles

7. The Government recognises that COVID-19 is likely to cause fluctuations in household incomes and recognises that, as a result, some individuals may struggle to meet council tax payments. Councils will already have established their local council tax support schemes for 2020-21. The Government therefore expects that billing authorities will primarily use their grant allocation to reduce the council tax liability of individuals in their area, using their discretionary powers under s13A(1)(c) of the Local Government Finance Act 1992. Councils may also want to use some funding to deliver increased financial assistance through other local support mechanisms, having considered local circumstances.
8. Councils should expedite provision of support to individuals in their area, using existing policies and schemes to deliver assistance where practical. Where council clearance processes are considered necessary, to avoid delays, they should be kept as light touch as possible within the governance arrangements of each authority.
9. Council tax reductions should be applied as soon as possible from the beginning of the 2020-21 financial year and billing authorities should rebill council taxpayers as quickly as practical. Authorities will want to make the local population aware of how the grant support package will be delivered, e.g. through providing information on their websites.

10. The Government has confirmed that it will fund billing authorities in full for the new burdens cost for delivering the support.
11. Local authorities will wish to maintain a record of grant expenditure under this scheme, both through the council tax system and their own local support mechanisms.
12. It is the Government's intention that any assistance provided from the council tax hardship fund will not affect the eligibility of recipients for other benefits.

Minimum reduction in council tax liability for working age local council tax support claimants

13. The Government's strong expectation is that billing authorities will provide all recipients of working age local council tax support ('LCTS') during the financial year 2020-21 with a further reduction in their annual council tax bill of £150, using their discretionary powers to reduce the liability of council tax payers outside of their formal LCTS scheme design.
14. Where a taxpayer's liability for 2020-21 is, following the application of council tax support, less than £150, then their liability would be reduced to nil. Where a taxpayer's liability for 2020-21 is nil, no reduction to the council tax bill will be available.
15. There should be no need for any recipient of LCTS to make a separate claim for a reduction under this scheme. The billing authority should assess who is eligible for support from the hardship fund and automatically rebill those council taxpayers.
16. Whether or not a taxpayer has been affected by COVID-19, directly or indirectly, should not be taken into account in assessing eligibility for this reduction.
17. The Government is keen to ensure that support is provided as quickly as possible to individuals who are eligible. It therefore considers that there is a strong case for councils to provide the support up front to enable the maximum benefit to be delivered promptly. However, the Government recognises that in some cases, authorities may consider that the most effective assistance could be profiled across the year.

Wider consideration – additional discretionary support

18. The Government recognises that existing support mechanisms vary locally, including LCTS schemes, discretionary council tax discount/hardship schemes and local welfare schemes.
19. Having allocated grant to reduce the council tax bill of working age LCTS recipients by a further £150, billing authorities should establish their own local approach to using any remaining grant to assist those in need. Billing authorities will want to revisit their broader approach at intervals during the financial year, in order to ensure expenditure for 2020-21 remains within their allocation. In determining any broader approach to delivering support, authorities are best placed to reflect on the financial needs of their most vulnerable residents. In doing so, they may wish to consider using their remaining grant allocation as part of wider local support mechanisms. These may include, but are not restricted to:
 - a) Council tax relief using existing discretionary discount/hardship policies (adapted where necessary in order to capture those most likely to be affected by COVID-19); and
 - b) Additional support outside the council tax system through Local Welfare or similar schemes;
 - c) A higher level of council tax reduction for those working age LCTS recipients whose annual liability exceeds £150.

Allocation of funding

20. Money will be allocated to billing authorities on the basis of their share of the national caseload of working age LCTS recipients using the most recent published data (2019-20, Q3). Annex A sets out allocations for each billing authority for the financial year 2020-21.
21. The money will be paid out as soon as possible to billing authorities through a grant under section 31 of the Local Government Act 2003.

Annex A

Local Authority	Working Age Caseload (2019/20 Q3)	Allocation (£)
Adur	2,098	453,179
Allerdale	4,215	910,462
Amber Valley	4,785	1,033,585
Arun	4,376	945,239
Ashfield	6,405	1,383,514
Ashford	4,484	968,568
Babergh	2,164	467,436
Barking & Dagenham	10,251	2,214,270
Barnet	19,133	4,132,829
Barnsley	12,252	2,646,497
Barrow-in-Furness	3,695	798,140
Basildon	7,633	1,648,768
Basingstoke & Deane	4,721	1,019,761
Bassetlaw	4,198	906,790
Bath & North East Somerset	5,963	1,288,040
Bedford	6,660	1,438,595
Bexley	8,568	1,850,733
Birmingham	80,474	17,382,811
Blaby	1,923	415,378
Blackburn with Darwen	10,158	2,194,182
Blackpool	12,977	2,803,101
Bolsover	3,610	779,779
Bolton	15,994	3,454,789
Boston	2,491	538,069
Bournemouth, Christchurch & Poole	14,367	3,103,348
Bracknell Forest	2,822	609,567
Bradford	27,093	5,852,232
Braintree	4,128	891,670
Breckland	4,259	919,967
Brent	18,280	3,948,577
Brentwood	1,600	345,609
Brighton and Hove	10,786	2,329,833
Bristol	23,175	5,005,923
Broadland	2,950	637,216
Bromley	8,524	1,841,229
Bromsgrove	2,134	460,955
Broxbourne	3,407	735,930
Broxtowe	3,781	816,716
Buckinghamshire	13,027	2,813,901
Burnley	6,830	1,475,316
Bury	8,741	1,888,102
Calderdale	10,046	2,169,989
Cambridge	4,263	920,831

Camden	14,443	3,119,765
Cannock Chase	3,288	710,225
Canterbury	5,012	1,082,619
Carlisle	4,582	989,736
Castle Point	2,036	439,787
Central Bedfordshire	7,436	1,606,215
Charnwood	4,532	978,936
Chelmsford	4,013	866,829
Cheltenham	3,943	851,709
Cherwell	3,787	818,012
Cheshire East	9,549	2,062,635
Cheshire West and Chester	11,220	2,423,580
Chesterfield	5,515	1,191,269
Chichester	3,237	699,209
Chorley	3,960	855,381
City of London	154	33,265
Colchester	5,331	1,151,524
Copeland	3,562	769,411
Corby	2,476	534,829
Cornwall	22,022	4,756,869
Cotswold	1,803	389,458
Coventry	17,277	3,731,924
Craven	1,237	267,199
Crawley	4,577	988,656
Croydon	20,314	4,387,932
Dacorum	4,917	1,062,098
Darlington	6,046	1,305,968
Dartford	4,154	897,286
Daventry	1,825	394,210
Derby	10,128	2,187,702
Derbyshire Dales	1,566	338,264
Doncaster	13,855	2,992,753
Dorset	12,258	2,647,793
Dover	4,878	1,053,674
Dudley	13,841	2,989,729
Durham	32,242	6,964,443
Ealing	14,173	3,061,443
East Cambridgeshire	1,990	429,851
East Devon	3,301	713,034
East Hampshire	2,393	516,901
East Hertfordshire	3,083	665,944
East Lindsey	6,382	1,378,546
East Northamptonshire	2,036	439,787
East Riding of Yorkshire	8,992	1,942,320
East Staffordshire	3,763	812,828
East Suffolk	8,873	1,916,615
Eastbourne	4,252	918,455
Eastleigh	2,516	543,469

Eden	1,422	307,160
Elmbridge	3,091	667,672
Enfield	27,299	5,896,729
Epping Forest	3,047	658,168
Epsom and Ewell	1,593	344,096
Erewash	4,395	949,343
Exeter	4,326	934,439
Fareham	1,960	423,370
Fenland	4,200	907,222
Folkestone & Hythe	5,244	1,132,732
Forest of Dean	2,957	638,728
Fylde	2,713	586,022
Gateshead	12,372	2,672,418
Gedling	4,042	873,093
Gloucester	5,303	1,145,476
Gosport	2,617	565,286
Gravesham	4,135	893,182
Great Yarmouth	6,044	1,305,536
Greenwich	14,760	3,188,238
Guildford	2,173	469,380
Hackney	21,353	4,612,361
Halton	7,493	1,618,528
Hambleton	1,774	383,193
Hammersmith & Fulham	9,014	1,947,072
Harborough	1,382	298,519
Haringey	16,961	3,663,666
Harlow	4,323	933,791
Harrogate	3,996	863,157
Harrow	6,442	1,391,506
Hart	1,475	318,608
Hartlepool	8,631	1,864,342
Hastings	5,935	1,281,991
Havant	5,092	1,099,899
Havering	8,368	1,807,532
Herefordshire	4,983	1,076,354
Hertsmere	3,407	735,930
High Peak	3,315	716,058
Hillingdon	9,835	2,124,412
Hinckley & Bosworth	2,459	531,157
Horsham	2,787	602,007
Hounslow	12,087	2,610,856
Huntingdonshire	3,829	827,084
Hyndburn	4,363	942,431
Ipswich	6,984	1,508,581
Isle of Wight	5,258	1,135,756
Isles of Scilly	20	4,320
Islington	17,960	3,879,455
Kensington & Chelsea	7,914	1,709,466

Kettering	2,705	584,294
Kings Lynn & West Norfolk	4,796	1,035,961
Kingston upon Hull	19,681	4,251,200
Kingston upon Thames	5,241	1,132,084
Kirklees	22,948	4,956,890
Knowsley	11,369	2,455,764
Lambeth	14,329	3,095,140
Lancaster	6,597	1,424,987
Leeds	41,304	8,921,883
Leicester	17,307	3,738,404
Lewes	3,780	816,500
Lewisham	15,005	3,241,160
Lichfield	2,606	562,910
Lincoln	5,601	1,209,846
Liverpool	42,324	9,142,208
Luton	9,726	2,100,868
Maidstone	5,453	1,177,877
Maldon	1,564	337,832
Malvern Hills	1,895	409,330
Manchester	34,528	7,458,231
Mansfield	5,650	1,220,430
Medway	9,520	2,056,371
Melton	1,195	258,126
Mendip	3,437	742,410
Merton	6,869	1,483,740
Mid Devon	2,197	474,564
Mid Suffolk	2,017	435,683
Mid Sussex	3,221	695,753
Middlesbrough	13,112	2,832,262
Milton Keynes	10,750	2,322,057
Mole Valley	1,944	419,914
New Forest	4,104	886,486
Newark & Sherwood	3,754	810,884
Newcastle upon Tyne	28,505	6,157,231
Newcastle-under-Lyme	4,794	1,035,529
Newham	19,759	4,268,049
North Devon	3,204	692,081
North East Derbyshire	3,594	776,323
North East Lincolnshire	7,662	1,655,033
North Hertfordshire	4,214	910,246
North Kesteven	2,384	514,957
North Lincolnshire	5,417	1,170,101
North Norfolk	3,351	723,834
North Somerset	6,910	1,492,597
North Tyneside	9,370	2,023,970
North Warwickshire	2,099	453,395
North West Leicestershire	2,524	545,197
Northampton	8,617	1,861,318

Northumberland	15,655	3,381,563
Norwich	9,430	2,036,930
Nottingham	18,624	4,022,883
Nuneaton & Bedworth	5,356	1,156,924
Oadby & Wigston	1,270	274,327
Oldham	13,960	3,015,434
Oxford	5,354	1,156,492
Pendle	4,767	1,029,697
Peterborough	7,726	1,668,857
Plymouth	11,921	2,574,999
Portsmouth	8,641	1,866,502
Preston	8,312	1,795,436
Reading	4,411	952,799
Redbridge	9,366	2,023,106
Redcar & Cleveland	8,555	1,847,925
Redditch	3,110	671,777
Reigate & Banstead	3,493	754,507
Ribble Valley	1,028	222,053
Richmond upon Thames	5,179	1,118,691
Richmondshire	1,137	245,598
Rochdale	14,186	3,064,251
Rochford	1,560	336,968
Rossendale	3,401	734,634
Rother	3,013	650,824
Rotherham	13,261	2,864,446
Rugby	3,018	651,904
Runnymede	1,564	337,832
Rushcliffe	2,386	515,389
Rushmoor	2,507	541,525
Rutland	563	121,611
Ryedale	1,544	333,512
Salford	16,582	3,581,800
Sandwell	21,050	4,546,912
Scarborough	5,757	1,243,543
Sedgemoor	3,934	849,765
Sefton	14,058	3,036,603
Selby	2,425	523,813
Sevenoaks	3,228	697,265
Sheffield	28,048	6,058,517
Shropshire	7,130	1,540,118
Slough	6,168	1,332,321
Solihull	7,277	1,571,871
Somerset West & Taunton	6,398	1,382,002
South Cambridgeshire	3,061	661,192
South Derbyshire	2,806	606,111
South Gloucestershire	5,166	1,115,883
South Hams	2,351	507,828
South Holland	2,136	461,387

South Kesteven	4,281	924,719
South Lakeland	2,255	487,092
South Norfolk	3,501	756,235
South Northamptonshire	1,314	283,831
South Oxfordshire	2,672	577,166
South Ribble	3,274	707,201
South Somerset	5,350	1,155,628
South Staffordshire	2,384	514,957
South Tyneside	11,563	2,497,669
Southampton	11,963	2,584,071
Southend-on-Sea	7,694	1,661,945
Southwark	16,094	3,476,389
Spelthorne	2,725	588,614
St Albans	3,608	779,347
St Helens	8,823	1,905,815
Stafford	3,014	651,040
Staffordshire Moorlands	2,393	516,901
Stevenage	3,608	779,347
Stockport	11,400	2,462,460
Stockton-on-Tees	11,297	2,440,212
Stoke-on-Trent	14,617	3,157,350
Stratford-on-Avon	3,059	660,760
Stroud	2,910	628,575
Sunderland	19,424	4,195,687
Surrey Heath	1,359	293,551
Sutton	7,624	1,646,824
Swale	5,432	1,173,341
Swindon	6,045	1,305,752
Tameside	9,991	2,158,109
Tamworth	2,619	565,718
Tandridge	2,160	466,571
Teignbridge	4,352	940,055
Telford & Wrekin	8,426	1,820,061
Tendring	6,363	1,374,442
Test Valley	2,656	573,710
Tewkesbury	2,464	532,237
Thanet	7,615	1,644,880
Three Rivers	2,304	497,676
Thurrock	5,944	1,283,936
Tonbridge & Malling	4,013	866,829
Torbay	7,456	1,610,536
Torridge	1,941	419,266
Tower Hamlets	20,287	4,382,100
Trafford	7,227	1,561,070
Tunbridge Wells	2,879	621,879
Uttlesford	1,506	325,304
Vale of White Horse	2,864	618,639
Wakefield	15,766	3,405,540

Walsall	17,959	3,879,239
Waltham Forest	9,509	2,053,994
Wandsworth	9,202	1,987,681
Warrington	7,359	1,589,583
Warwick	3,793	819,308
Watford	3,713	802,028
Waverley	2,442	527,485
Wealden	3,193	689,705
Wellingborough	2,548	550,382
Welwyn Hatfield	3,826	826,436
West Berkshire	2,541	548,870
West Devon	1,648	355,977
West Lancashire	4,606	994,920
West Lindsey	3,673	793,388
West Oxfordshire	2,197	474,564
West Suffolk	4,804	1,037,690
Westminster	10,202	2,203,686
Wigan	16,246	3,509,222
Wiltshire	14,917	3,222,151
Winchester	3,054	659,680
Windsor & Maidenhead	2,612	564,206
Wirral	18,106	3,910,992
Woking	2,340	505,452
Wokingham	1,924	415,594
Wolverhampton	15,149	3,272,264
Worcester	4,021	868,557
Worthing	3,285	709,577
Wychavon	3,552	767,251
Wyre	4,832	1,043,738
Wyre Forest	4,409	952,367
York	4,430	956,904



Middlesbrough Council

Council Tax Reduction

COVID-19 Council Tax Hardship and

Exceptional Hardship Policy

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1.0 Background

- 1.1 The Council has two policies which assist Council Taxpayers who are in receipt of Council Tax Reduction. Both policies fall within Section 13 A (1) (c) of the Local Government Finance Act 1992 (as amended). The following document outlines both including how applicants may receive additional assistance with their Council Tax account.
- 1.2 The two policies included within this document and available to assist taxpayers are as follows:
 - (a) The COVID-19 'Council Tax Hardship' fund; and
 - (b) The Council's exceptional hardship fund.
- 1.3 The Council Tax Hardship Fund has been created by Central Government for one year only (2020/21) to provide funds to the Council under S31 of the Local Government Act 2003 with the proviso that all monies are paid strictly in accordance with S13A (1) (c) of the Local Government Finance Act 1992 and in line their guidance issued on 25th March 2020. This fund is designed to meet the immediate needs of all taxpayers who are currently claiming Council Tax Reduction (CTR) under S13 A (1) (a) of the Local Government Finance Act 1992. The funds are primary designed to assist working age applicants with payment of their Council Tax.
- 1.4 This is particularly important given that working age applications are required to make a 'minimum payment' of Council Tax of 15%.
- 1.5 The administration of this particular fund is essentially down to the Council to determine however, Central Government through the Ministry of Housing, Communities and Local Government (MHCLG) state that, in order to retain the funding, the Council must look to use monies as directed by them.
- 1.6 In addition, an Exceptional Hardship Fund (EHF) has been set up by the Council to assist applicants for Council Tax Reduction who are facing 'exceptional hardship'. The fund has been created to provide further assistance where an applicant is in receipt of Council Tax Reduction and where the level of support being paid by the Council does not meet their full Council Tax liability.
- 1.7 During the current COVID-19 crisis, the Council Tax Hardship fund will take precedence with all Council Tax Reduction applicants receiving this support, although this will not preclude any applicant from applying for additional assistance under the Exceptional Hardship fund.

2.0 Legislation

- 2.1 The relevant legislation for both policies is S13 of the Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012), which states the following:

Reductions by billing authority

(1) The amount of council tax which a person is liable to pay in respect of any chargeable dwelling and any day:

(a) in the case of a dwelling situated in the area of a billing authority in England, is to be reduced to the extent, if any, required by the authority's council tax reduction scheme (see subsection (2));

(b) in the case of a dwelling situated in the area of a billing authority in Wales,

(c) in any case, may be reduced to such extent (or, if the amount has been reduced under paragraph (a) or (b), such further extent) as the billing authority for the area in which the dwelling is situated thinks fit.

- 2.2 The provisions stated in (c) above, allows the Council to reduce the Council Tax liability for any taxpayer in addition to any application for Council Tax Reduction under the Council's scheme. This is a general power that has always been available to the Council.

3.0 Finance

- 3.1 Any amounts granted under S13A (1) (c) are normally financed through the Council's general fund and do not form part of the collection fund. Central Government has provided funding directly to the Council to compensate for monies provided under the 'COVID-19 Council Tax Hardship Fund' and it expects the Council, wherever possible, to use all of the funds provided.

- 3.2 Any additional assistance, or payments made under the Council's own Exceptional Hardship Fund are made outside of Central Government funding and will fall to be paid by the Council itself

4.0 The Covid-19 Council Tax Hardship Scheme (2020/21 only)

- 4.1 The scheme guidance issued by MHCLG states the following:

- (a) The Government's strong expectation is that billing authorities will provide all recipients of working age local council tax reduction during the financial year 2020-21 with a further reduction in their annual council tax bill of £150, using their discretionary powers to reduce the liability of council taxpayers outside of their formal scheme design.
- (b) Where a taxpayer's liability for 2020-21 is, following the application of council tax reduction, less than £150, then their liability would be reduced to nil.
- (c) Where a taxpayer's liability for 2020-21 is nil, no reduction to the council tax bill will be available.

- (d) There should be no need for any recipient of council tax reduction to make a separate claim for a reduction under this scheme. The billing authority should assess who is eligible for support from the hardship fund and automatically rebill those council taxpayers.
- (e) Whether or not a taxpayer has been affected by COVID-19, directly or indirectly, should not be taken into account in assessing eligibility for this reduction.
- (f) The Government recognises that existing support mechanisms vary locally, including CTR schemes, discretionary council tax discount/hardship schemes and local welfare schemes.
- (g) Having allocated grant to reduce the council tax bill of working age CTR recipients by a further £150, billing authorities should establish their own local approach to using any remaining grant to assist those in need. Billing authorities will want to revisit their broader approach at intervals during the financial year, in order to ensure expenditure for 2020-21 remains within their allocation.
- (h) In determining any broader approach to delivering support, authorities are best placed to reflect on the financial needs of their most vulnerable residents. In doing so, they may wish to consider using their remaining grant allocation as part of wider local support mechanisms. These may include, but are not restricted to:
 - (i) Council tax relief using existing discretionary discount/hardship policies (adapted where necessary in order to capture those most likely to be affected by COVID-19); and
 - (ii) Additional support outside the council tax system through Local Welfare or similar schemes;
 - (iii) A higher level of council tax reduction for those working age CTR recipients whose annual liability exceeds £150.
- (i) The Government is keen to ensure that support is provided as quickly as possible to individuals who are eligible. It therefore considers that there is a strong case for councils to provide the support up front to enable the maximum benefit to be delivered promptly. However, the Government recognises that in some cases, authorities may consider that the most effective assistance could be profiled across the year.

The Council's Policy in respect of the Covid-19 Council Tax Hardship Scheme

- 4.2 The Council is keen to support all taxpayers within the area and, as such, will implement the scheme in line with Central Government guidelines but will **enhance** the Government's scheme by taking the following actions:
- (a) An amount of up to £155 will be credited to the Council Tax account of all working age applicants who are in receipt of Council Tax Reduction on 1st April 2020 (it should be noted that where any residual liability of any taxpayer is less than £155, then an amount will be granted to ensure that the liability is reduced to zero (There will be no requirement for any taxpayer to apply for this initial award and it shall be automatically applied to their account);

(b) Where the taxpayer is not entitled to Council Tax Reduction on 1st April 2020 or in such cases where any taxpayer is experiencing hardship due to the COVID-19 crisis, an application (in this instance) may be made to the Council. In these cases, the Council will either contact the taxpayer directly (on receipt of a new claim for CTR) or will accept applications directly from taxpayers.

4.3 In line with Central Government guidance, initial funding shall be used for (a) and (b) above and any residual monies shall be used in conjunction with the Council's Community Support Scheme.

5.0 The Council's Exceptional Hardship Fund

5.1 As mentioned previously, the Exceptional Hardship Fund (EHF) is a Council initiative and available outside of the COVID-19 Council Tax Hardship Fund. It is available to any applicant (whether pension or working age) 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).

5.2 The main features of the fund developed by the Council are as follows:

- The Exceptional Hardship Fund will be cash limited;
- The operation of the Fund will be at the total discretion of the Council;
- The Fund will be operated by the Revenues and Benefits section on behalf of the Council;
- Exceptional Hardship Fund payments are not payments of Council Tax Reduction (as defined within S13A (1) (a) of the Local Government Finance Act 1992);
- Exceptional Hardship Fund payments **will not be available for any other debt other than outstanding Council Tax**;
- A pre-requisite to receive a payment from the Fund is that an amount of Council Tax Reduction **must be in payment** for any day that an Exceptional Hardship Fund payment is requested;
- Where an Exceptional Hardship Fund 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 Fund payments are designed as a short-term help to the applicant only and it is expected that payments will be made for a short term only; and
- All applicants will be expected to engage with the Council and undertake the full application process. Failure to do so will inevitably mean that no payment will be made.

What is Exceptional Hardship?

5.3 Hardship can arise in many circumstances however, the fund will be available for circumstances where **Exceptional Hardship** is proven. There are many examples which include, but are not limited to:

- A sudden change in circumstances such as loss of employment;
- A reduction in income due to illness suffered by either the liable person or loss incurred; so that they can care for a dependant;

- The death of a partner or dependant;
- Sudden increase in other expenses such as due to a family member's illness or incapacity;
- A disaster in the home such as a fire, a flood or structural damage which forces the occupants out of the house and into temporary accommodation.

5.4 Exceptional hardship can also occur when living on a very low income. It is difficult to determine when a person on a low income will qualify for additional support through the Exceptional Hardship Fund however, indicators may include:

- Inability to make payments for basic utilities such as water, electricity and heating;
- Receiving notification of court proceedings;
- Consistently exceeding overdraft limits;
- Threat of homelessness;
- Unable to pay for food; and
- Level of income and expenditure of the household.

Exceptional Hardship Fund and Equalities

5.5 The creation of an Exceptional Hardship Fund facility assists the Council to meet its obligations under the Equality Act 2010.

5.6 The Council recognises the importance of protecting our most vulnerable customers. This fund 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 Exceptional Hardship Fund is intended to help in cases of **extreme** financial hardship and not support a lifestyle or lifestyle choice. Whilst the definition 'Exception 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 the Council. Exceptional Hardship should be considered as 'hardship beyond that which would normally be suffered'.

5.7 Where an application for support is made, each case will be treated on its own merits and all applicants will be treated fairly and equally.

Exceptional Hardship - Who can apply?

5.8 The following persons who are liable to pay Council Tax (or deemed to act of an applicant's behalf) can apply. These include:

- Owner occupiers (including their partner if jointly and severally liable);
- Tenants (including their partner if jointly and severally liable);
- Residents (including their partner if jointly and severally liable); and
- Appointees of any of the above

In all of the above cases, the applicant must have applied for and been successful in obtaining an award of Council Tax Reduction **and** not receive 100% support currently.

- 5.9 An applicant must make a claim for an Exceptional Hardship Fund award by submitting an application to the Council. The application form (shown at Appendix 1) can be obtained via the telephone, in person at one of the Council offices and/or via the Council's website.
- 5.10 Applicants can get assistance with the completion of the form from the Revenues and Benefits Service or Customer Services at the Council.
- 5.11 The application form must be fully completed and supporting information or evidence provided, as reasonably requested by the Council.

Exceptional Hard Fund - Backdating

- 5.12 There will be no backdating option within the Exceptional Hardship Fund. Any additional support will be awarded from the date that the Council receives the application form.

Exceptional Hardship Fund - Subsequent applications

- 5.13 Applicants may make subsequent applications once their award has expired or if their circumstances change again or worsen or if they have previously been refused. The Council will only accept one application at a time.

The Exceptional Hardship Fund Process

- 5.14 As part of the process of applying for additional support from the Exceptional Hardship Fund, 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) Accept assistance from either the 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. This will include expenditures such as cable or satellite television, excessive mobile telephone use and social expenditure;
 - (d) Identify potential changes in payment methods and arrangements to assist the applicant;
 - (e) Assist the Council to minimise liability by ensuring that all discounts, exemptions and reductions are properly granted; and
 - (f) 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.
- 5.15 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 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.

5.16 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 outstanding 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
- To cover previous years Council Tax arrears

Awarding an Exceptional Hardship Fund Payment

5.17 The Council will decide whether or not to make an Exceptional Hardship Fund award, and how much any award might be.

5.18 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 Payment process;
- 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 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;
- Shortfalls due to non-dependant deductions;
- The income and expenditure of the applicant, their partner and any dependants or other occupants of the applicant’s home;
- How much reasonable expenditure exceeds income;
- 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;
 - The length of time they have lived in the property; and
 - The amount available in the Exceptional Hardship Fund at the time of the application
- 5.19 The above list is not exhaustive and other relevant factors and special circumstances will be considered.
- 5.20 An award from the Exceptional Hardship Fund does not guarantee that a further award will be made at a later date, even if the applicant's circumstances have not changed.
- 5.21 An Exceptional Hardship Fund 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 Council 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.

The award and duration of an Exceptional Hardship Fund Payment

- 5.22 Both the amount and the duration of the award are determined at the discretion of the Council and will be done so on the basis of the evidence supplied and the circumstances of the claim.
- 5.23 The start date of such a payment and the duration of any payment 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.
- 5.24 Any Exceptional Hardship Fund payment will be made direct onto the customer's Council Tax account, thereby reducing the amount of Council Tax payable.

Overpaid Exceptional Hardship Fund Payments

- 5.25 In the unlikely event that an Exceptional Hardship Fund payment is made in error or made incorrectly, it will be recovered directly from the applicant's council tax account, thus increasing the amount of council tax due and payable.

Exceptional Hardship - Changes in circumstances

- 5.26 The Council may revise an award from the Exceptional Hardship Fund where the applicant's circumstances have changed which, either increases or reduces their Council Tax Reduction entitlement.

Exceptional Hardship - Duties of the applicant and the applicant's household

- 5.27 A person claiming an Exceptional Hardship Fund payment is required to:
- Provide the Council with such information as it may require to make a decision;
 - Tell the Council 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.

6.0 Notification of an award under either the COVID-19 Council Tax Hardship or the Council's Exceptional Hardship Fund

- 6.1 Where an award is made by the Council under either scheme, the taxpayer's account shall be amended, and a revised demand issued accordingly.

7.0 Publicity

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

8.0 Review of Decisions

- 8.1 Notwithstanding any reductions applied automatically to the Council Tax account (COVID-19 Council Tax Hardship Fund), where any application is refused, the applicant will be notified that they can ask for the decision to be reviewed. Any request for a review must be made, in writing or by email, within one calendar month of the decision letter.

- 8.2 The Council, having reviewed the case, shall respond within two months and will have regard to any further evidence supplied.
- 8.3 If the applicant is dissatisfied with the outcome of the review, they can, within two months of the Council's reply, appeal to the independent Valuation Tribunal Service to consider their case.

9.0 Delegated Powers

- 9.1 Both the COVID-19 Council Tax Hardship Scheme and the Council's Exceptional Hardship Policy have been approved by the Council. However, the Strategic Director of Finance, Governance and Support is authorised to make technical scheme amendments.

10.0 Fraud

- 10.1 The Council is committed to protecting public funds and to ensure funds are awarded to taxpayers who are rightfully eligible to them.
- 10.2 An applicant who tries to fraudulently claim a Council Tax Hardship Fund or Exceptional Hardship Fund 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.
- 10.3 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.

11.0 Complaints

- 11.1 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.

12.0 Policy Review

- 12.1 This policy will be reviewed at least every year in respect of the Exceptional Hardship Fund to ensure it is fit for purposes. The COVID-19 Council Tax Hardship Fund policy will be reviewed as directed by Central Government.

Appendix 1
Exceptional Hardship Fund Application Form

Section 1: Your details

Your Council Tax reference number (if you know it):

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Your Title:

Your surname:

Your first name(s):

Your date of birth:

Your full address:

Postcode:

Preferred telephone number:

Email address:

Address of property for which this reduction is being applied:

Postcode:

If someone else is helping you with this form, please give their details:

Their surname:

Their first name(s):

Their full address:

Postcode:

Their preferred telephone number:

Relationship to you:

Section 2: about your current circumstances

To help us make a decision we need information about your current financial circumstances and what in particular has caused you hardship. For each answer, if you have any documents to support the information you have provided, please provide it with this form. Originals will be returned to you. Please answer each question with as much detail as you can.

Do you own any other properties? If so please provide the addresses:

Have you applied for Council Tax Reduction, if not, why not?

Is the property undergoing any major structural renovations?

Is the property occupied? If not by you, please provide the occupant's details:

What are the current circumstances, which are causing you hardship?

How long do you expect these circumstances to continue?

What have you done to improve this situation?

Are you receiving financial assistance from any other source? If yes, please provide full details:

Please provide any additional information you think will support your claim:

Section 3: statement of income and expenditure

Please provide details of all people living with you:

Name	Date of Birth	Relationship to you

Please provide details of all income for you and your partner if you have one:

Type of income	You: £ per month	Your partner: £ per month
Wages		
Job seeker's allowance (JSA)		

Employment Support Allowance (ESA)		
Incapacity Benefit		
Income Support		
Working Tax Credits		
Child Tax Credits		
Child Benefit		
Pension Credit		
Saving Credit		
Maintenance payments		
Disability Living Allowance		
Universal Credit		
Any other income		

Please provide proof of all income listed above.

Please provide details of all expenditure for you and your partner combined if you have one:

Type of expenditure	Amount per month
Rent/Mortgage	
Council Tax	
Water Rates	
Gas	
Electricity	
Food/household expenses	
TV Licence	
Building and Contents insurance	
Telephone bills (including all mobile phones)	
Sky or cable television	
Internet or broadband	
Car payments	
Car insurance	
Petrol	
Other travel expenses	
Medication	
Clothing	
Credit cards	
Loans	
Store cards	
Hire purchase agreements	

Socialising (including cigarettes, alcohol etc.)	
Child care	
Child maintenance	
Student loans	
Any other insurance (incl. life, ill health etc.)	
Any other expenditure (please specify below)	
1.	
2.	
3.	
4.	
Total Expenditure:	£
Section 4: declaration	
I declare that the information I have given on this form is true and correct. I understand that I may be prosecuted if I try to get an Exceptional Hardship Payment dishonestly. I authorise the Council to make enquiries necessary to verify the details I have given on this form.	
Your signature:	
Date	

An information leaflet will be produced to accompany this form.