

## **Exceptional Hardship Relief (EHR)**

### **1. Background:**

The Local Government Finance Act 2012, amended the 1992 act as follows;

Section 10: Council Tax Reduction Schemes

- (1) For section 13A of the LGFA 1992 (billing authority's power to reduce amount of tax payable) substitute—

“13A 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 (as determined in accordance with sections 10 to 13)—

(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) - *relates to properties 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.

The Councils section 13A (1) (a) policy is reviewed each year and made available on the Councils website.

The Exceptional Hardship Relief procedure addresses section 13A (1) (c) detailed above.

### **2. Purpose**

The purpose of this policy is to specify how East Herts & Stevenage Revenues & Benefits shared service will operate the EHR scheme and to indicate some of the factors that will be considered when deciding if a EHR can be awarded. Each case will be treated strictly on its merits and all customers will receive equal and fair treatment.

### **3. Statement of objectives**

The Revenues & Benefits shared service will consider making a payment of a EHR to customers who meet the qualifying criteria as specified in this policy. The Revenues & Benefits shared service will treat all applications on their individual merits, and will seek through the operation of this policy to:

Support vulnerable people

Help those who are trying to help themselves;

Help customers through personal crises and difficult events.

The Revenues & Benefits shared service considers that the EHR scheme should be primarily seen as a short time emergency fund. It is not and should not be considered as a way around any current or future entitlement restrictions set out within the Council

Tax reduction scheme (CTS) or other financial penalties applied.

#### **4. Claiming a EHR**

A claim for a EHR must be made in writing and signed by the customer. A letter or signed statement made at the designated office will be deemed as sufficient.

On request or in appropriate circumstances, the Revenues & Benefits shared service will issue the customer with a EHR application form.

The customer will be required to return the form to the designated office and will be encouraged to include any relevant supporting evidence.

The Revenues & Benefits shared service may request any reasonable evidence in support of an application for a EHR. Such requests will normally be made in writing.

The Revenues & Benefits shared service reserves the right to verify any information or evidence provided by the customer in appropriate circumstances.

If the customer is unable to or does not provide the required evidence, the Revenues & Benefits shared service will still consider the application and will take into account any other available evidence including that held on the customers claim file.

#### **5 Period of award**

In all cases, the Revenues & Benefits shared service will decide the length of time for which a EHR will be awarded on the basis of the known facts and the evidence supplied.

The start date of an award will normally be the Monday following receipt of the application, or such other date as is considered appropriate by the Adjudication Officer in the circumstances:

The minimum period for which the Revenues & Benefits shared service will award a EHR is one week.

An award will usually not exceed 3 months. Applications for further awards can be made, but will need to provide additional grounds to support the application.

The Revenues & Benefits shared service will not normally award a EHR for a period exceeding 12 months.

Any reasonable request for backdating an award of a EHR will be considered.

#### **6. Awarding a EHR**

The Adjudication Officer dealing with the claim shall consider the application and supporting information before deciding whether or not to award a EHR.

In deciding whether to award a EHR, the Adjudication Officer will consider, for example;

- The shortfall (where applicable) between Full (net) Council Tax Liability and the award of Council Tax Support;
- Any non-dependant deductions, which EHRs can cover;
- Any steps taken by the customer to reduce their liability. For example, if possible has the customer tried to seek cheaper accommodation;
- Did the customer find out what their Council Tax Liability was before moving into the property? If they did and they knew that there was going to be a shortfall why did they still decide to take the property on?
- The financial and medical circumstances (including ill health and disabilities) of the customer, their partner and any other members of their household.
- The income and expenditure of the customer, their partner and any other members of their household including any dependants or other occupants of the customer's home.
- Any savings or capital that might be held by the customer or their family;
- The level of indebtedness of the customer and their family. Has the customer tried to renegotiate loans to reduce their expenditure or are they paying off debts, which are making their expenditure temporarily higher. Has the customer sought advice from a debt advisor to try to alleviate their situation?
- The exceptional nature of the customer and their family's circumstances,
- Any special reasons, which make it necessary or specially desirable for the claimant to occupy the dwelling in respect of which the liability arises;

The Adjudications Officer will decide how much to award. For applicants already in receipt of Council Tax support, this can only be an amount equal to or below the difference between the liability and the payment of CTS.

An award of a EHR does not guarantee that a further award will be made at a later date even if the customer's circumstances have not changed. In these cases the Adjudications Officer must look at whether the situation is likely to change and what the customer has done to try and alleviate their situation.

The Adjudication Officer should record the reasons why a decision has or hasn't been made.

## **6.Method of Payment**

An award of EHR will be credited to the customers Council Tax account.

## **7. Notification**

The Revenues & Benefits shared service will strive to inform the customer in writing of the outcome of their application within one calendar month of receipt. Where the application is unsuccessful, the Revenues & Benefits shared service will set out the reasons why this decision was made and explain the right of review. Where the application is successful, the Revenues & Benefits shared service will advise:

The weekly amount of EHR awarded;

The period of the award;

The requirement to report a change in circumstances;

## **8. When EHR cannot be awarded**

EHRs cannot be awarded in the following circumstances:

- Any shortfall in the second adult rebate element of a person's Council Tax Support;
- Shortfalls caused by Council Tax Support recovery;

## **9. Changes of Circumstances**

The Revenues & Benefits shared service may need to revise an award of a EHR where the customer's circumstances have changed.

## **10. Overpayments**

In the event that a EHR is found to have been overpaid, officers will consider whether it is appropriate to recover it in full, in part or not at all. As a general rule the Revenues & Benefits shared service will seek to recover any EHR found to be overpaid. Normally this will involve debiting the customers Council Tax account. The decision letter that notifies an overpayment decision will also set out the right of review.

## **11. The right to seek a Review**

EHRs are discretionary and are not payments of Council Tax Support, therefore they are not subject to a statutory appeals procedure. However, all Councils are expected to set up an appropriate review process.

The Revenues & Benefits shared service will operate the following process for dealing with requests to review a decision not to award a EHR, a decision to award a reduced or lesser amount of EHR, a decision not to backdate a EHR or a decision that there has been an overpayment of a EHR.

A customer (or their appointee or agent) who disagrees with an EHR decision may dispute the decision. A request for a review shall be delivered in writing to the designated office for the attention of the Director of Finance & Support Services (EHC) within one calendar month of the written DHP decision being issued to the customer.

The Director of Finance & Support Services (East Herts) or the Strategic Director Resources (Stevenage Borough Council) will review all the evidence held and may ask for further information to be provided. A decision will be made within 28 days of the request for a review or receipt of additional information. The decision will be notified to the claimant in writing, setting out the reasons for the decision.

This decision will be final and binding and may only be challenged via the judicial review process or by complaint to the Local Government Ombudsman.

*Approved by Scott Crudgington and Adele Taylor July 2014*