

Scarborough Borough Council



Benefits Service
"Striving for excellence"

Local Support for Council Tax Exceptional Hardship Payments (EHPs) Policy and Procedure

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1 BACKGROUND

- 1.1 Local Support for Council Tax (LSCT) replaced Council Tax Benefit on 1 April 2013. LSCT is a Council Tax Discount and is means tested in accordance with Scarborough Borough Council's Local Scheme.

LSCT EHP is an additional Council Tax Discount and forms a discretionary part of the Council's LSCT Scheme. It can be awarded where the Council, in its view, determines that additional financial assistance is required by a customer to meet their Council Tax liability.

- 1.2 The scheme is purely discretionary. A customer does not have a statutory right to a payment.

The administration of the scheme is purely for Scarborough Borough Council to determine.

- 1.3 There is a range of financial welfare support available to meet a variety of different circumstances. The EHP fund is designed to provide short-term support for exceptional and unforeseen pressures that affect a customer's ability to meet their council tax liability which may be a result of changes in the health or the financial position of the members of the household.

The short-term nature of the fund is to provide capacity in terms of time and financial support for the household to seek further advice and make changes to their circumstances.

2 THE POLICY

a. General

- 2.1 The purpose of this policy is to specify how Scarborough Borough Council will operate the scheme and to indicate some of the factors that will be considered when deciding if an EHP can be made. Each case will be treated strictly on its merits and all customers will be treated equally and fairly when the scheme is administered. Scarborough Borough Council is committed to working with the local voluntary sector, social landlords and other interested parties in the Borough to maximise entitlement to all available state benefits and this will be reflected in the administration of the EHP scheme.
- 2.2 This document supports the Council's overarching strategic objectives of its Financial Inclusion Strategy, as well as income maximisation and homelessness prevention. It should interact in conjunction with the Housing Benefit DHP Procedure and services offered by the Housing Options Team by ensuring that financial assistance is considered from the appropriate source/funding.

2.3 The Council will ensure that:

- LSCT entitlement is calculated accurately and promptly;
- LSCT EHP expenditure is monitored effectively;
- Both LSCT and LSCT EHP discounts are removed from the Council Tax account when appropriate.

2.4 LSCT EHPs cannot be paid in respect of any housing costs other than Council Tax. An award may be made in addition to a HB DHP award, or it may be made where a HB DHP cannot be paid, or such a payment is not deemed to be appropriate.

Where appropriate a HB DHP award will be considered in the first instance as this may be enough to alleviate the financial hardship enabling the Council Tax liability to be met.

2.5 Scarborough Borough Council will consider making a payment of an EHP to customers who meet the qualifying criteria as specified in this policy. Scarborough Borough Council will treat all applicants on their individual merits and will seek through the operation of this policy to;

- Alleviate poverty;
- Safeguard residents of the borough in their homes;
- Help those who are trying to help themselves;
- Keep families together;
- Support transition of life events;
- Achieve and maintain employment;
- Prevent homelessness and reduce evictions.

2.6 Scarborough Borough Council considers that the EHP scheme should be seen as a short-term emergency fund. It is not and should not be considered as a way around any current or future entitlement restrictions set out under legislation or Scarborough Borough Council's LSCT local scheme.

b. Applying for an EHP

2.7 A claim for an EHP can be made in writing or by means of an electronic notification using Scarborough Borough Council's preferred application form.

2.8 Scarborough Borough Council may request any (reasonable) evidence in support of an application for an EHP and will make such requests in writing. The customer will be asked to provide the evidence within one month of such a request although this will be extended in appropriate circumstances.

- 2.9 Scarborough Borough Council reserves the right to verify any information or evidence provided by the claimant in appropriate circumstances.
- 2.10 If the customer is unable to or does not provide the required evidence, without a satisfactory explanation for such failure, Scarborough Borough Council will make a decision based on the information available to them.
- 2.11 In all cases, Scarborough Borough Council will decide the length of time for which an EHP will be awarded on the basis of the evidence supplied and the facts known.

2.12 **c. Awards**

An officer of Scarborough Borough Council's Benefits Service will decide all EHP claims.

EHPs can only be made where the customer

- has to pay Council Tax, and
- is in receipt of LSCT, and
- is in need of further financial assistance.

The types of shortfall that an EHP can cover include:

- the portion of the Council Tax liability that LSCT will not provide support for;
- a non-dependant deduction;
- income tapers.

EHPs cannot cover:

- any unpaid Council Tax liability prior to April 2013;
- sanctions and reductions in benefit.

- 2.13 The amount of the award must not exceed the shortfall in Council Tax.

The amount awarded will depend on each individual case.

The amount awarded can cover the whole of the shortfall or part of the shortfall.

EHP awards are designed to specifically meet short-term requirements and provide time for customers to make necessary changes to their circumstances to ensure they are able to live within their means in the longer-term. The fund is not an appropriate mechanism to support circumstances which are not time-limited.

2.14 The date an award commences will usually be the Monday following the date the application is received although Scarborough Borough Council has the discretion to set the period as it sees fit in relation to the circumstances of the applicant.

Most awards will be for a maximum period of 13 weeks but can be for shorter or longer periods depending on an individual's circumstances. Awards will not exceed a period of 26 weeks.

2.15 The Benefits Service may need to revise or revoke an EHP award where the customers' circumstances have materially changed. It is the customers' responsibility to notify Scarborough Borough Council as soon as any change occurs. Any amendment to the claim will be effective from the date of change.

2.16 Repeat awards of an EHP will not be made unless the customer is able to demonstrate highly exceptional circumstances and is able to demonstrate they have tried to take steps to improve their circumstances.

2.17 **d. Matters for consideration**

In all cases the customer, partner and other adult household members must demonstrate they have insufficient resources, through their income and capital, to meet the shortfall.

Other factors that may be taken into account are;

- Whether the shortfall is due to a change in the award of LSCT due to welfare reform legislative changes;
- The likelihood of an imminent change of circumstances that will increase the level of the LSCT;
- The impact of disability needs within the household for which the benefit calculation does not make specific allowances;
- Any recent change of circumstances which has negatively impacted on the ability to meet a liability that was previously affordable;
- The level of indebtedness of the claimant and their family. EHPs are not to be provided to pay off other debts;
- Whether the customer could reduce other outgoings so that they can meet the shortfall? There is an expectation that other forms of support have been investigated and the customer has taken budgeting management advice;
- Is this a repeat request for an EHP? If it is, what steps has the customer taken to try to alleviate the problem since the last application;

- The exceptional nature of the customer and their family's circumstances;
- The length of time the EHP is being asked to support;
- If the EHP application is successful, what steps does the customer plan to take during the payment period to alleviate their position in preparation for when the payment ends?

2.18 e. Payment of EHPs

No payments are made to the customer; rather a discount is made on the Council Tax account thereby reducing the outstanding balance on that account. This will be in addition to an LSCT award.

Payments of EHP must be recorded separately from payments of LSCT for management information.

2.19 f. Notifications

Scarborough Borough Council will inform the claimant of the outcome of their application within 28 days of receipt or as soon as is reasonably practicable. Scarborough Borough Council will advise:

- the weekly amount of EHP awarded;
- the period of the award;
- the requirement to report a change in circumstances;
- Where a EHP is refused, the reasons why the award has been refused;
- Details of dispute handling.

2.20 g. Disputes

An EHP is not a payment of HB or UC and is not therefore subject to the statutory appeals mechanism. Scarborough Borough Council will operate the following policy for dealing with disputes about;

- a refusal to award an EHP;
- a decision to award a reduced amount of EHP;
- the dates an EHP is awarded for.

Scarborough Borough Council can look at a decision again in light of representations made by the claimant or whenever deemed appropriate.

Where the decision is challenged an independent panel usually comprising the Benefits Manager and one other Senior Officer will consider the dispute.

The reconsideration will not be by way of a personal hearing unless specifically requested by the claimant or as agreed by the Benefits Manager. The reconsideration will be undertaken as soon as is practicable.

Outcomes of this further consideration must be made in writing to the customer, with reasons, as soon as is reasonably practicable.

As the granting (or not granting) of EHPs is a discretionary power the only further avenue of redress is via judicial review.

2.21 h. Reviews

EHP's can be stopped or amended if changed circumstances alter LSCT entitlement or there has been misrepresentation or a failure to disclose a material fact. Where it is deemed that there is no longer any entitlement to an EHP the Council will end the award from the date it considers appropriate. The outstanding balance on the Council Tax account will then be billed and collected as outstanding Council Tax liability in the normal way.

2.22 Scarborough Borough Council is committed to the fight against fraud in all its forms. A claimant who tries to fraudulently claim an EHP by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under the Theft Act 1968. Where Scarborough Borough Council's Benefits Service suspects that such a fraud may have occurred, the matter will be investigated as appropriate and this may lead to criminal proceedings being instigated.