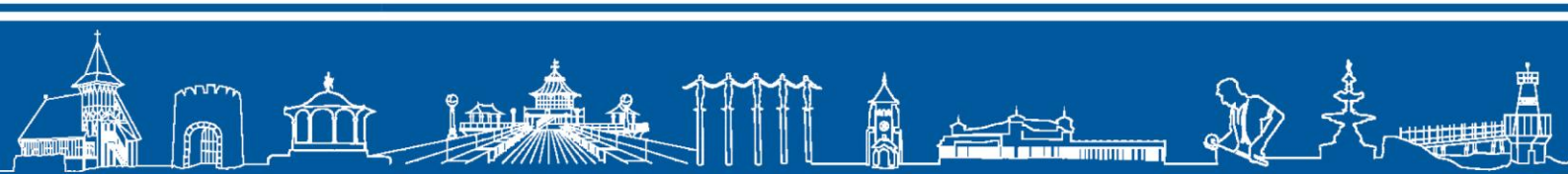


COUNCIL TAX REDUCTION SCHEME

Council Tax Hardship Fund Policy

December 2024



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1. Background

The Hardship Fund has been set up to cover the shortfall between Council Tax liability and payments of Council Tax Reduction and is effective from 01 April 2025.

Every customer who is entitled to Council Tax Reduction and who has a shortfall is entitled to make a claim for help from the Fund.

The main features of the Fund are that:

- Hardship Fund awards are discretionary
- Customers do not have a statutory right to an award
- The Hardship Fund Policy is held within the main Council Tax Reduction scheme
- Hardship Fund awards are not a payment of the main Council Tax Reduction scheme
- It is a cash limited fund
- Only working age customers can make an application
- Council Tax Reduction must be in payment in the week in which a Hardship Fund award is made
- North Somerset Council may decide that a backdated award is appropriate; which could then settle council tax arrears. This would be the only circumstance where the Hardship Fund could be used to facilitate payment of Council Tax arrears.

In addition to this fund there is a Discretionary Housing Payments scheme which covers the shortfall between rent and Housing Benefit or Universal Credit.

2. Exceptional hardship fund and equalities

The creation of an Exceptional Hardship Fund facility meets North Somerset Council's obligations under the Equalities Act.

The Government has been clear that, in developing a local Council Tax Reduction scheme, vulnerable groups should be protected. Other than statutory protection for low income pensioners, the Government has not prescribed the other groups that local Councils should support.

We recognise the importance of protecting our most vulnerable customers and also the impact these changes have. We have created a Hardship Fund to ensure that we protect and support those most in need. The Exceptional Hardship Fund is intended to help in cases of extreme financial hardship and not support a lifestyle.

3. PURPOSE OF THIS POLICY

The purpose of this policy is to specify how North Somerset Council will operate the scheme, and to indicate some of the factors which will be considered when deciding if a Hardship Fund payment can be made.

Each case will be treated on its own merits and all customers will be treated fairly and equally in the accessibility to the Fund and also the decisions made with applications.

Where a customer is not claiming a Council Tax discount to which they may be entitled or a welfare benefit or additional financial assistance, they will be advised, and assisted in making a claim to maximise their income, before their claim for Hardship Funds will be decided.

4. Statement of objectives

North Somerset Council will, through the operation of this policy, aim 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
- Support people in managing their finances
- Help customers through personal crises and difficult events that affect their finances
- Aim to help prevent exceptional hardship
- Support vulnerable young people in the transition to adult life
- Helping those who are trying to help themselves financially
- Alleviate poverty
- Sustain tenancies and prevention of homelessness
- Keep families together
- Encourage and support people to obtain and sustain employment
- Give support to those who are financially vulnerable

The Exceptional Hardship Fund is a short-term emergency fund, awarded whilst the customer seeks alternative solutions.

It cannot be awarded for the following circumstances:

- Where full Council Tax liability is being met by Council Tax Reduction.
- For any other reason, other than to reduce Council Tax liability.
- To reduce any Council Tax Reduction recoverable overpayment.

- To cover previous years Council Tax arrears.
- When Council Tax Reduction is suspended.

5. Awarding an exceptional hardship fund payment

We will decide whether or not to make a Hardship Fund award, and how much any award might be.

When making this decision we will consider:

- The shortfall between Council Tax Reduction and Council Tax liability
- The steps taken by the customer to reduce their Council Tax liability
- Changing payment methods, re-profiling Council Tax instalments or setting alternative payment arrangements to make them affordable
- To ensure that all discounts, exemptions and reductions are granted
- Steps taken by the customer to establish whether they are entitled to other welfare benefits
- Steps taken by the customer in considering and identifying where possible the most economical tariffs for supply of utilities
- 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 customer, their partner and any dependants and any other occupants of the customer's home
- The difficulty experienced by the customer 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 customer, their partner and any dependants or other occupants of the customer's home
- How deemed reasonable expenditure exceeds income
- That all income may be taken into account, including those which are disregarded when awarding Council Tax Reduction
- Any savings or capital that might be held by the customer or their partner

- Other debts outstanding for the customer and their partner
- Whether the customer has already accessed or is engaging for assistance with budgeting and financial/debt management advice. A Hardship Fund award may not be made until the customer has accepted assistance either from the Council or third party, such as the Citizens Advice Bureau or similar organisations, to enable them to manage their finances more effectively, including the termination of non-essential expenditure.
- The exceptional nature of the customer and/or their family's circumstances that impact on finances.
- The length of time they have lived in the property.
- The amount available in the Hardship Fund at the time of the application.

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

An award from the Hardship Fund does not guarantee that a further award will be made at a later date, even if the customer's circumstances have not changed.

A Hardship Fund award may be less than the difference between the Council Tax liability and the amount of Council Tax Reduction paid.

6. Publicity

North Somerset Council will publicise the Fund and will work with interested parties to achieve this. A copy of this policy will be made available for inspection and will be published on the Council's website.

7. Making a claim

Customers can apply for a Hardship Fund award by completing the online application form which can be found on our [What is council tax support and how to claim it | North Somerset Council](#). Customers can get assistance with the completion of an application from the Revenues and Benefits Service

The application form must be fully completed and supporting information or evidence provided, as reasonably requested by the Council.

In most cases the person who claims the Hardship Fund 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. Change of circumstances

North Somerset Council may revise an award from the Hardship Fund where the customer's circumstances have changed which either increases or reduces their Council Tax Reduction entitlement.

9. Duties of the customer

A person claiming a Hardship Fund Payment is required to:

- Give the Council such information as it may require to make a decision.
- Tell the Council of any changes in circumstances that may be relevant to their on-going claim.
- Give the Council such other information as it may require in connection with their claim.

10. Amount and duration of award

Both the amount and the duration of the award are determined at the discretion of the Council, and will be done on the basis of the evidence supplied and the circumstances of the claim.

- The start date will be determined on individual circumstances of each case
- The Hardship Fund will normally be awarded for a minimum of one week
- The maximum length of the award will not exceed the end of the financial year in which the award is given

11. Payment of award

A Hardship Fund award will be made directly into the customer's Council Tax account, thus reducing the amount of Council Tax payable.

12. Overpaid Hardship Fund payments

Overpaid Hardship Fund awards will generally be recovered directly from the customer's Council Tax account, thus increasing the amount of Council Tax due and payable.

13. Notification of an award

The Council will notify the outcome of each application for Exceptional Hardship Fund awards in writing. The notification will include the reason for the decision and advise the customer of their appeal rights.

14. The right of appeal

If the customer is not satisfied with the decision in respect of an application for a Hardship Fund award, a decision to reduce the amount of Hardship Fund awarded, a decision not to backdate a Hardship Fund award or a decision that there has been an overpayment of a Hardship Fund award, they must make written representation to the Council setting out their grounds of appeal.

North Somerset Council will consider the appeal and respond in writing, setting out the decision and associated reasons for the decision.

15. Fraud

North Somerset Council is committed to protect public funds and ensure funds are awarded to the people who are rightfully eligible to them.

A customer who tries to fraudulently claim a Hardship Fund award 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.

Where we suspect that such a fraud may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings being instigated.

16. Legislation

The Local Government Finance Act 2012 amends Section 13A of the Local Government Finance Act 1992 and sets out the requirement for Councils to develop and adopt a localised Council Tax Reduction Scheme. This Exceptional Hardship Fund Policy forms part of this Scheme.