

# **Council Tax Reduction Scheme**

## **Discretionary Hardship Policy**



## **1.1 Introduction**

Cheshire West and Chester Council has allocated a small cash limited fund to provide discretionary financial help for vulnerable council tax payers in exceptional hardship, who apply for a reduction under its Council Tax Reduction Scheme but who fail to qualify the full award.

This policy will provide guidance on the administration of the scheme. Notwithstanding this, Cheshire West and Chester Council will have an overriding discretion over all applications to refuse or grant an award.

## **1.2 Main features of the scheme**

Under this policy, an award may be considered when the eligible Council Tax Reduction is less than the overall council tax liability, and will be limited to the shortfall between the two, or an award may be considered for backdating, where the criteria in this policy are met. Any awards made will be transferred onto the council tax account belonging to the applicant. Cash alternatives to this will not be considered. The maximum award which can be considered will be limited to the amount remaining on the council tax account. Awards will not be made where these will create a credit on the account.

Budgets are limited and this fund will be prioritised to protect the most vulnerable, and in particular to alleviate child poverty and to protect individuals with very low income at threat of homelessness. Payments will only be made as a last resort after all other funding streams are exhausted and taking into account any available income and capital. Any funds which are available to the applicant will be taken into account including any potential to borrow money, including borrowing against capital assets such as property, where the council consider this to be a reasonable alternative.

## **1.3 Care leavers discount**

From April 2017, any Care Leavers resident in this area below the age of 21 and who have recently left the care of Cheshire West and Chester Council are entitled to receive 100% of their own Council Tax liability as a discount. Any income and capital will not be taken into account in determining this award. Any Care Leavers up to the age of 25, can apply for an award under the main discretionary policy, which is subject to a means test.

Cheshire West and Chester Council will also offer support to every Care Leaver who may be entitled to an award under this policy. This support includes a nominated case worker who can help with benefits, debts, housing, and employment. The Council will use the information it holds to identify any young person who is eligible for this discount, and will offer support at the same time. Care Leavers may also contact the Council to apply for this discount.

Any Care Leaver who lives in the area, but who was not in the care of Cheshire West and Chester area can apply for an award under the general Council Tax Reduction Discretionary hardship provision, which is subject to a means test.

## 1.4 Key principles

Although the scheme will be administered at the discretion of Cheshire West and Chester Council, there are some key principles as to how it will be implemented.

- The scheme is discretionary and there is no statutory right to payment.
- Cheshire West and Chester Council are not under any obligation to provide a scheme.
- Each award will have regard to the budget. When the budget is exhausted no further payments will be made. Budgets will be projected forward and will be managed on a monthly basis.
- Awards are normally only made to those deemed vulnerable in accordance with this policy. However, even if this is the case Cheshire West and Chester Council have an overriding discretion to refuse an award.
- We may be able to provide additional support including help with housing, debts, disability or mental health needs, mortgage arrears, loan sharks, addiction, or employment and training support.

## 1.5 Eligibility criteria

The scheme is open to vulnerable individuals who are in receipt of a Cheshire West and Chester Council Tax Reduction Scheme award.

Any award will only be considered up to 31 March in any financial year.

Payment will not be considered where the deficit is due to non dependent deductions or arrears. Only the current liability to council tax at the time the claim is made will be considered.

Only individuals who are defined or considered to be 'vulnerable' in accordance with this policy may be entitled to payment, subject to their income and capital. Cheshire West and Chester Council will define 'vulnerable' for the purposes of the scheme as an individual who is:

- applicant, partner or resident dependent child is terminally ill
- under 25 on limited income
- expectant or nursing mothers (with children under age one) on limited income
- a family with resident children who are in poverty
- backdating requests in limited circumstances only

The Local Authority may also deem any other applicant as vulnerable due to their individual circumstances, but will only do so in rare and exceptional cases. Evidence will be required for any special need, medical condition or other circumstances in support of an application.

## **1.6 Objectives**

Each application will be treated fairly and on its own merits in accordance with this policy. The overall rationale of this policy is to:

- support people who are vulnerable with their immediate hardship needs, enabling them to live an independent life and to complement (but not replace) other specialist care support provided by Cheshire West and Chester Council.
- identify and resolve long term problems which may be causing immediate hardship
- prevent short term hardship
- encourage and facilitate people to return to work whenever possible
- prevent homelessness
- help to alleviate debt and encourage better money management
- keep families together
- help those who are trying to help themselves
- support vulnerable people
- build on the values of the Altogether Better Programme
- help people through personal crises and unforeseeable events
- to reduce benefit dependency if possible
- to alleviate child poverty.

We will aim to visit individuals who claim for help under this scheme unless we know that they already have support in place through a recognised agency.

Awards are intended to help them to move into a better longer term financial position, improving their situation whilst reducing reliance on state support, whenever possible. Recommendations for payments will be made where the criteria are satisfied and the individual is working to achieve this aim.

When determining eligibility, we will work with partners such as other local authorities, Housing Solutions, prisons, Adult Social Care teams, the Citizens Advice Bureau and other support providers.

## **1.7 Making a claim**

An individual can make an application for support if they are defined as vulnerable, have applied for an award under the Council Tax Reduction Scheme but the award made is less than their liability to pay council tax, and the shortfall does not relate to a non dependent deduction.

Applications must be made using the Council Tax Reduction Discretionary Hardship Payment application form, which should be sent directly to the council.

Applicants will be asked questions to establish whether they satisfy the criteria and are vulnerable, whether any funds are available to them. Any other funds which are available should be accessed before an application is made. This may include personal funds or borrowings, charitable or public funding.

In addition Cheshire West and Chester can request any information and evidence which is reasonably required to determine eligibility and to help determine if an award shall be made.

Any evidence requested should be provided within one calendar month of the request. Claims will be closed if supporting information requested is not provided within one calendar month.

Welfare Visiting Officers may visit customers at home to establish whether ongoing support is required.

### **1.8 Awarding and making a payment**

In deciding whether an award can be considered under this policy and the amount of any award awarded, Cheshire West and Chester Council will consider:

- any other funds which could be claimed first
- whether the applicant is vulnerable
- the amount of any remaining budget at the time of the award and other priority demands on the budget
- the financial circumstances of the applicant and their family (including any savings or benefits which could be used to contribute towards the costs)
- the impact on other services within Cheshire West and Chester Council if a payment is not awarded (e.g. Housing Solutions)
- any steps already taken, by the applicant to alleviate the problem.
- if the customer has applied before, new applicants will be given priority
- any risks associated with refusal
- whether other external help is required
- whether a vulnerable person and in particular children are likely to be adversely affected.

Although all risks will be considered, the Council cannot be held responsible and will not make a payment based on threats made by applicants, either to self harm or to harm others, but will instead refer these to the appropriate specialist authorities who will be able to provide support and will always refuse the claim.

Where possible, decisions will normally be made within 14 days of the application; however the team will endeavour to make their decision as quickly as possible.

### **1.9 Notification**

After a decision has been made on a Council Tax Reduction Discretionary Hardship Payment application the claimant will be advised as is most appropriate to the individual - either verbally, in writing, by telephone, or by email or messaging service.

If an application is unsuccessful they will be advised of the decision and the reason why this was unsuccessful.

The notification letter will provide details of the award, and whether or not this was successful. It will outline the applicant's responsibilities and the terms by which an award has been agreed, along with any responsibilities they have. It will also give information on the dispute process detailed in this policy.

## **2.0 Dispute process**

The main Council Tax Reduction policy document outlines types of decisions that cannot be disputed. Such decisions can also not be disputed under this discretionary scheme.

For any valid disputes, an applicant, or other person liable to make payments in respect of a dwelling or a person acting on their behalf may dispute Cheshire West and Chester Councils' decision concerning a discretionary award of Council Tax Reduction.

This can be done by the applicant (or person acting on their behalf) affected writing to Cheshire West and Chester Council at its designated offices, within one calendar month of the date of decision, or such longer period as is deemed reasonable, detailing the nature of the dispute and the grounds on which this is made.

The dispute process against a discretionary decision is explained below. If you think the decision about your application for a discretionary award is wrong:

- you can ask us to look at our decision again - this request should be made in writing within one calendar month or such longer period as deemed reasonable of the date on the front of the decision notification
- the Council will then respond to you setting out the reasons for its decision and where appropriate include a written statement showing the calculations we have made

If we do not respond to you within two months, or if you are still unhappy with our decision you may appeal to the Valuation Tribunal. Contact details relating to the Valuation Tribunal will be provided to you as part of the above process or on request.

## **3.0 Overpayments and fraud**

If awards are made under this policy, Cheshire West and Chester Council will seek to recover any payments made to them which were paid incorrectly. This could be on the basis that an applicant misrepresented or failed to disclose a material fact, or if an error is made by Cheshire West and Chester Council or the applicant when the claim was determined.

Any decision to recover an overpayment/ excess award made under this policy will be notified in writing and will include details of the dispute process.

If an application is found to be fraudulent this will be investigated and could result in prosecution or alternative sanctions.

### **3.1 Data sharing**

Data will be shared internally within the council and externally with other councils and public bodies to prevent fraud and in particular to prevent duplicate claims being made. This will adhere to the principles of The Data Protection Act 1998.

### **3.2 Policy review**

A review of this policy will be completed annually. However, the policy can be reviewed at any time if there are legislative or operational changes.