

# Individual Executive Member Decision

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## 2017/18 Revised Exceptional Hardship Policy

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<b>Committee considering report:</b>	Individual Executive Member Decision
<b>Date ID to be signed:</b>	27 July 2017
<b>Portfolio Member:</b>	Councillor Keith Chopping
<b>Date Portfolio Member agreed report:</b>	18 July 2017
<b>Forward Plan Ref:</b>	ID3350

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### 1. Purpose of the Report

- 1.1 The purpose of this report is to highlight changes made to the Exceptional Hardship Fund Policy.
- 1.2 West Berkshire Council's Revenues and Benefits Service together with the Housing Service will operate the revised scheme.

### 2. Recommendations

- 2.1 To agree that the Exceptional Hardship Fund can be administered as described in the attached document.
- 2.2 The main addition to the policy is that there is no longer the need for the claimant to be currently entitled to Council Tax reduction in order that a hardship payment can be considered.
- 2.3 The reason for this is the extent of the changes made (see points 6 & 7)

### 3. Implications

- (i) **Financial:** The current funding level amounts to £38,000 or about 6% of the savings proposed by the amendments to the 2017/18 Council Tax Reduction Scheme.
- (ii) **Policy:** See attached document (Appendix 1)
- (iii) **Personnel:** Not applicable
- (iv) **Legal:** 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 as well as developing a hardship fund to 'cover' any exceptional or serious welfare issues. This Exceptional Hardship Fund Policy forms part of this Scheme.
- (v) **Risk Management:** The decision made by the Council in December 2016 proposed revisions to the Council Tax Reduction Scheme which were due

to make savings of around £594,000.

This sum would then have to be collected from customers as part of their ongoing council tax liability. Therefore, the Council may have problems in recovering this additional amount from some of our poorest members of our community.

Some mitigation can be made in how we collect and additional financial and welfare advice that can be given.

Where severe hardship remains there should be a way of dealing with exceptional circumstances and therefore the customer not having to pay the debt.

(vi) **Property:** None

(vii) **Other:** N/A

#### 4. Consultation Responses

##### Members:

**Leader of Council:** Graham Jones emailed 5<sup>th</sup> July – no response as yet.

**Overview & Scrutiny Management** Emma Webster emailed 5<sup>th</sup> July – no response as yet

**Commission Chairman:**

**Opposition Spokesperson:** Lee Dillon emailed 5<sup>th</sup> July – no response as yet

#### 5. Other options considered

- 5.1 Not having an exceptional hardship scheme would go against the principles set down by government. A different amount was considered but bearing in mind what was awarded during 2015/16 and the reducing entitlement for 2017/18 this would have been inequitable.

#### 6. Introduction/Background

- 6.1 The Exceptional Hardship Fund is set up to cover the shortfall between Council Tax liability and the award of Council Tax Reduction, previously known as Council Tax Benefit/Support.
- 6.2 Members approved a revised Council Tax reduction scheme for 2017/18 in December 2016. The amendments made to the scheme mean that many claimants could see a reduced or nil entitlement.
- 6.3 The main changes to the 2017/18 scheme were:
- (i) Maximum award based upon a Band C property (Band D previously)
  - (ii) £10 per week minimum payment increased from £3 per week

- (iii) Savings limit reduced to £6000 (from £16,000)
- (iv) Increase contributions from working age claimants from 25% to 30% of their wages.

6.4 These changes only affect working age claimants. Pensioners and 'vulnerable' claimants are protected.

## 7. Supporting Information

7.1 The following customers are entitled to make a claim for help from the fund:

- Every customer who is entitled to Council Tax Reduction and who has a shortfall
- Every customer who if not for the changes on the 2017/18 reduction scheme would have qualified for ongoing assistance.

7.2 The main features of the Fund are that:

- Exceptional Hardship Fund awards are discretionary
- Customers do not have a statutory right to an award
- The Exceptional Hardship Fund Policy is held within the main Council Tax Reduction scheme
- Exceptional Hardship Fund awards are not a payment of the main Council Tax Support scheme
- It is a cash limited fund
- The Housing Service assess the applications for hardship and in consultation with the Revenues & Benefit service decide how the Fund is administered.
- West Berkshire Council may decide that a backdated Exceptional Hardship award is appropriate; which could then settle council tax arrears. (This would be the only circumstance where the Exceptional Hardship Fund could be used to facilitate payment of Council Tax arrears.)

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

## 8. Proposals

8.1 To adopt this revised policy.

8.2 Not to adopt this revised policy and continue with previous one agreed.

8.3 Propose further changes to policy.

## 9. Conclusion

9.1 The proposed revised policy meets our obligations and published guidance. How the revised scheme will operate is described in the policy document attached. The purpose and main aim is to assist those customers who, due to recent changes in the Council Tax Reduction Scheme, are unable to meet the shortfall due to exceptional circumstances.

9.2 In terms of the financial expectations the amount spent will be closely monitored.

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**Background Papers:**

Council Tax Reduction Scheme 2017/18 Full Council Minutes

<http://decisionmaking.westberks.gov.uk/documents/g3550/Printed%20minutes%2008th-Dec-2016%2019.00%20Council.pdf?T=1>

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**Subject to Call-In:**

Yes: ☒ No: ☐

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**Wards affected:**

All

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**Strategic Aims and Priorities Supported:**

The proposals will help achieve the following Council Strategy aim:

**x P&S – Protect and support those who need it**

The proposals contained in this report will help to achieve the following Council Strategy priority:

**x P&S1 – Good at safeguarding children and vulnerable adults**

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## **10. Executive Summary**

- 10.1 This revised policy is being introduced following changes to the Local Council Tax Reduction Scheme. The proposed effect of these changes meant that around £594,000 was in effect being removed from claimant's entitlement to benefit.
- 10.2 Government suggested that where local authorities have made changes to their local Council Tax Reduction Scheme that they should develop a scheme/fund that could assist customers who are experiencing exceptional hardship as a result of those changes.
- 10.3 It is believed that the amount put aside will be sufficient but will be closely monitored.

## **11. Conclusion**

- (i) This revised policy meets our obligations in having an exceptional hardship fund to assist those claimants who have been worse affected by the changes agreed.

## **12. Appendices**

- (i) Appendix A – Policy document
- (ii) Appendix B – Equalities Impact Assessment