

## **Council Tax Discretionary Hardship Policy**

Under section 13A(1)(c) of the Local Government Finance Act 1992 (as inserted by Section 76 of the Local Government Act 2003), the Council has the power to reduce liability for Council Tax in relation to individual cases or classes of cases that it may determine and where national exemptions and discounts cannot be applied. Runnymede Borough Council has not specified any class of case in which liability is to be reduced. However, we will consider claims on individual cases. The Discretionary Hardship Policy is intended to provide short term help to alleviate financial hardship.

From time to time the Government may introduce a specific scheme in response to an event such as a natural disaster (e.g. flooding). Where such schemes are introduced, funding is normally fully met by Government without any impact on the local Council Tax. Any such schemes that are introduced will be administered in accordance with instruction and guidance set out by Government, in accordance with our delegated powers.

### **Financial Implications**

The financial burden of awarding a Discretionary Hardship payment has to be met through an increase in the general level of Council Tax for other payers. Due to this, the granting of Discretionary Hardship payments will only be made in exceptional circumstances.

### **Eligibility**

The applicant must be liable for a Council Tax Charge levied by Runnymede Borough Council. Where such a person is unable to act for themselves, a third party may act on their behalf. The application must show, where appropriate, that they have made reasonable efforts to sell the property or return the lease.

### **Applications**

The Council will administer this discount from within the Revenues & Benefits Division.

Customers wishing to make an application under the Discretionary Hardship Policy must:

- Make any claim in writing, using the form provided for this
- Sign the declaration at the foot of the form, confirming that the information is true, complete and agree that the Council may make enquiries to verify the information.
- Agree to repay any Discretionary Hardship amounts believed to have been overpaid for whatever reason
- Supply requested information in support of the application both at the outset and following any additional request, including, but not limited to, a financial statement, and evidence of income/outgoings within one calendar month of the request.

### **Criteria for making a claim**

Each application will be looked at on its own merits, having regard to the factors outlined below:

- There must be evidence of financial hardship or personal circumstances that justify a reduction in Council Tax liability
- The applicant's income and expenditure including unusual and/or avoidable expenditure
- Whether there are exceptional circumstances that contribute to the financial hardship
- The applicant must satisfy the Council that all reasonable steps have been taken or will be taken to resolve the situation

- Entitlement to all eligible discounts/reliefs/income/welfare benefits have been explored and are being claimed
- The size and banding of the current accommodation
- The possibility of moving to a smaller property at which the amount of Council Tax payable would be lower
- The lifestyle choices of the applicant and their household
- The Council's finances allow for a reduction to be made
- The amount outstanding must not be the result of wilful refusal to pay or culpable neglect
- The taxpayer does not have access to other assets that could be used towards their Council Tax liability
- Whether the situation can be resolved by some other legitimate means
- Whether an award will assist the applicant towards a position where they can pay their Council Tax within a reasonable time frame without further recourse to an additional discretionary payment
- Any social or health issues currently being faced by the resident and/or their immediate family
- The effect the situation is having on vulnerable members of the residents family e.g. the elderly, the young, the infirm etc...
- Other evidence in support of an application (such as from Doctors and/or Social Workers)
- Where applicable, what information/advice has been sought and obtained previously
- Whether there is a threat of court action in relation to Council Tax arrears

**This list is neither prescriptive or exhaustive**

#### **Period of award**

The award will be granted for a specific period. An award will only be granted within the financial year in which the application is made and will terminate when either the applicant is no longer entitled to the award or at the end of the financial year, whichever is sooner.

The hardship award is only short term help. It will not be re-awarded in perpetuity.

#### **Amount of award**

The award will be calculated against the daily Council Tax liability after deducting any other reliefs, discounts or Council Tax Support and will not exceed that figure.

**The amount to be awarded is entirely at the Council's discretion.**

#### **Notification of a decision**

The applicant will be notified in writing of any decision.

The decision notice will include reasons for the decision.

If an award is granted, the notice will include the amount of the award and the period for which it is granted. Any award will be credited to the applicant's Council Tax account.

### **Review of decision**

The Council will accept a customer's written request for a review of its decision. That review will be made by a Senior Revenues Officer and a full written explanation will be provided within 14 days of receipt of the written request.

There is a right of appeal against the Council's use of discretionary powers to the Valuation Tribunal for England. We will provide details of how to appeal in the explanation we send you.

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### **Duty to notify changes in circumstances**

Where an award is granted, applicants are required to notify the Council of any relevant changes in their circumstances that could affect entitlement.

Examples of these changes include but are not limited to :

- If the applicant changes address
- If the applicant or a member of their household leaves their home temporarily or permanently
- If an applicant's or member of their household's income or capital changes
- If the number and/or circumstances of others in the household changes

In addition, the applicant must inform the Council:

- Of a change to any factor that caused or contributed towards their hardship
  - If their hardship ends
  - If the severity of their hardship decreases (including an increase in benefit entitlement)
  - Of a change to any of the circumstances that were included in the application for the discount
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### **Recovery of an overpaid award**

A Council Tax Discretionary Hardship award will generally be recovered directly from the applicant's Council Tax account, increasing the amount of Council Tax payable.

Examples of circumstances where the Council will seek recovery of an overpaid award include, but are not limited to :

- Misrepresentation or failure to disclose a material fact whether fraudulently or otherwise
- Failure to notify any relevant change in circumstance whether fraudulently or otherwise
- An error made in the provision of information or evidence or the interpretation of that information or evidence which led to an incorrect award.

### **Covid -19 (Corona Virus) Pandemic**

In response to the Coronavirus pandemic Government allocated £500m to local authorities in the form of a Hardship grant to support residents financially impacted by the coronavirus. Government and the local authority have taken a wide range of actions to address detrimental financial impacts resulting from the virus to prevent people from experiencing financial hardship. Where assistance is available from alternative sources, these should be used in the first instance.

Runnymede's allocation of the £500m is £337,832. Guidance from MHCLG sets out that this funding should be used to reduce council tax liability in 2020/21 by £150 for all working age claimants currently in receipt of council tax support.

All those entitled to a working age council tax support reduction as at 1st April 2020 will be awarded an additional reduction, up to a maximum of £150, to their council tax liability for the year 2020/21. The award will be a one off payment that will reduce the first instalments on the council tax account.

This award is made using the council's discretionary powers under s13A(1)(c) of the Local Government Finance Act 1992.

Entitlement to working age support reductions is as defined by the council's Council Tax Support policy which is available on the council's website [www.runnymede.gov.uk](http://www.runnymede.gov.uk)

Claimants do not have to apply for this discretionary payment, it will be awarded as close to 1st April 2020 as is reasonably practical and a revised council tax bill issued to the liable parties.

In implementing this policy the council will take the following government guidance into account:

- Any assistance provided from the council tax hardship fund will not affect the eligibility of recipients for other benefits.
- The council will exclusively use their grant allocation to reduce the council tax liability of individuals in their area, using their discretionary powers under s13A(1)(c) of the Local Government Finance Act 1992.
- The council will provide all recipients of working age local council tax support ('LCTS') during the financial year 2020-21 with a further reduction in their annual council tax bill of £150.
- Where a taxpayer's liability for 2020-21 is less than £150, then their liability would be reduced to nil.
- The council will assess who is eligible for support from the hardship fund and automatically rebill those council taxpayers.
- When assessing eligibility for this reduction the council will not take into account whether or not a taxpayer has been directly or indirectly affected by COVID-19.