

# Vale of White Horse District Council

## Council Tax Reduction Scheme

### Discretionary Hardship Awards (DHA)

#### 1. Background

From 31 March 2013, Council Tax Benefit (CTB) was abolished. Council Tax Benefit was a national scheme where the Government funded the amounts paid out in CTB awards in full. In its place, each council had to design its own Council Tax Reduction Scheme (CTRS) for working age claimants. In the financial year 2013-14, the council decided not to make any changes to the old CTB scheme and keep it as its local CTRS. For the financial year 2014-15, the council decided that, with the exception of disabled people, people in receipt of war disability pensions and war widows, the maximum amount of benefit which can be received was reduced to 91.5% of their council tax and anyone in Council Tax bands F, G and H would have their reduction assessed on a band E equivalent. Second Adult Reduction was also abolished.

Due to the above changes, the council has introduced a hardship scheme for those who may suffer financial hardship because of them. The main features of the scheme are that

- the scheme is purely discretionary; a claimant does not have a statutory right to a payment.
- applications will only be considered from council taxpayers who were resident at a property as at 31 March 2014 (i.e. applications from new occupants from 1 April onwards will not be considered).
- only applications from claimants who have been affected by the changes to the CTRS will be accepted.
- the amount that can be paid out in any financial year is cash limited.
- the administration of the scheme is for the Revenues and Benefits Client Team to determine.
- DHA's can only meet the maximum Council Tax liability.
- DHA's are not payments of council tax reduction .

**Comment [CR1]:** General comment: In order to check on an ongoing basis that we are awarding DHA fairly and not discriminating against any particular groups of people (e.g. ethnic minority people), it would be good if we could put a process in place to monitor who we are awarding /declining their application. Please consider how this could be done.

**Comment [CR2]:** Why, are we saying it is their fault if they move to a new property they cannot afford to pay the council tax in the new property? Bearing in mind that they may be moving to a property within the same council tax band or lower, this appears too restrictive, may want to consider opening the scheme to anyone affected taking account the reasons why people have moved, so that there is still some discretion to refuse if it is felt they do not need to move to a property with a high council tax band.

**Comment [CR3]:** Did we write to the affected people to explain about the hardship fund when we advised them of the changes to the scheme? If not, you could consider making contact now.

## 2. The Revenues and Benefits Service Protocol relating to DHA

### 2.1 Purpose

The purpose of this protocol is to specify how the council operates the scheme and to indicate some of the factors that will be considered when deciding if a DHA can be made. Each case is treated strictly on its merits and all customers will be treated equally and fairly when the scheme is administered. The council is committed to working with the local voluntary sector, social landlords and other interested parties in the district to maximise entitlement to all available state benefits and this will be reflected in the administration of the scheme. Where the evidence provided indicates that a claimant is not claiming another state benefit that they may be entitled to, the council will advise them to make such a claim and provide details of other agencies in the district who may be able to help them with such a claim.

### 2.2 Statement of objectives

The Revenues and Benefits Client Team will consider making a DHA to claimants who meet the qualifying criteria as specified in this guidance. The Revenues and Benefits Client Team will treat all applications on their individual merits and will seek through the operation of this policy to:

- alleviate poverty.
- encourage and sustain people in employment.
- help those who are trying to help themselves.
- keep families together.
- support vulnerable members of the local community.
- help claimants through personal and difficult events.
- support young people in the transition to adult life.

The Revenues and Benefits Client Team considers that the DHA scheme should be seen as a short term emergency fund. It is not and should not be considered as a way round any current or future entitlement restrictions set out within the Council Tax Reduction Scheme.

### 2.3 Claiming a Discretionary Payment

A claim for a DHA should be made in writing (an application form will be provided) signed by the claimant. However in certain exceptional circumstances an award could be made without an application being received – this is at the discretion of the Revenues and Benefits Client **Team**. Claims may be accepted from someone acting on behalf of the person concerned where written authorisation for that person to act on behalf of the claimant is held.

**Comment [CR4]:** I understand that Suzanne would help applicants to complete the form if they were unable to do so themselves and that RSLs/CAB are made aware of this. Perhaps the policy should publicise this.

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### 2.4 Period of Award

In all cases, the Revenues and Benefits Client Team will decide the length of time for which a DHA will be made on the basis of the evidence supplied and the facts known. The award will be limited to the financial year in which the application was made and will not roll over into the following financial year.

### 2.5 Making a Discretionary Award

In deciding whether to make a DHA the Revenues and Benefits Client Team will take into account:

- the amount by which council tax reduction has dropped due to the introduction of the 2014/15 revised CTRS.
- the financial circumstances of the claimant, their partner and any dependants and any other occupants of the claimant's home.
- the income and expenditure of the claimant, their partner and any dependants or other occupants of the claimant's home.
- any savings or capital that might be held by the claimant or their family.
- the level of indebtedness of the claimant and their family.
- the exceptional nature of the claimant and their family's circumstances.
- the amount available in the DHA budget at the time of the application.
- the effects of other welfare benefit changes affecting the claimant.
- DHA can only be considered for a period where council tax reduction is payable.
- Any other special circumstances brought to the attention of the Revenues and Benefits Client Team.

**Comment [CR5]:** Whilst recognising that generally speaking first come first served is a fair approach. It could be very distressing for the person/people trying to seek support to be told that there is not enough funds left to help them. What is the likelihood of there not being enough to pay DHA to all those that apply? Would it be possible to monitor payments throughout the year, with the view to putting in a growth bid for further finance if it looks like the budget will not meet demand?

### 2.6 Changes of Circumstances

The Revenues and Benefits Client Team may need to revise an award where the claimant's circumstances have materially changed.

### 2.7 The right to seek a review

Discretionary Awards are not payments of council tax reduction and are therefore not subject to the statutory appeals mechanism.

The Revenues and Benefits Client Team will operate the following policy for dealing with appeals about (i) a refusal to make a DHA, (ii) a decision to award a reduced amount or, (iii) a decision that there has been an overpayment.

- A claimant (or their appointee or agent) who disagrees with a decision relating to DHA's may dispute the decision. A request for a review shall

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be made in writing within one calendar month of the written decision about the DHA being issued to the claimant.

- The review will be carried out by the Revenues and Benefits Client Manager.
- Where the Revenues and Benefits Client Manager decides not to revise the original decision he will notify the claimant of his decision in writing, setting out the reasons for the decision.
- The decision of the Revenues and Benefits Client Manager will be final and binding. The claimant may challenge whether the correct amount of DHA has been applied to the council tax account to the Valuation Tribunal for England. Any other aspect of the decision making may only be challenged via the judicial review process (or by complaint to the Local Government Ombudsman if maladministration is alleged).

### 2.8 Overpayments

The council will consider and seek to recover any DHA found to be overpaid. Normally this will involve issuing an invoice to the claimant.

**Comment [CR6]:** Would they be given a period of time to pay it back i.e. in instalments? Particularly if it is not the claimants fault

### 2.9 Fraud

The council is committed to the fight against fraud in all its forms. A claimant who tries fraudulently to claim a DHA 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 the council suspects that such a fraud may have occurred, the matter will be investigated as appropriate and this may lead to criminal proceedings being instigated.