

Report to: Cabinet

Date: 11 February 2019

Title: Exceptional Hardship Policy

Report of: Tim Whelan, Director of Service Delivery

Cabinet member: Councillor Bill Giles, Cabinet for Finance

Ward(s): All

Purpose of report: To recommend changes to the Exceptional Hardship Policy.

Officer recommendation(s): (1) That the proposed changes to the policy are adopted
(2) That Cabinet delegate authority to the Director of Service Deliver in consultation with the Lead Member to make alterations to the policy.

Reasons for recommendations: Will allow those self-employed claimants currently excluded from the Exceptional Hardship scheme to benefit from additional financial support.

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1 Introduction

- 1.1 The current Exceptional Hardship Policy (Appendix 1) is in place to help those people who qualify for some Council Tax Reduction (CTR) but still need additional financial assistance to meet their council tax obligations
- 1.2 The Council Tax Reduction scheme applies the minimum income floor to those people who have been self-employed for 12 months or more and means that, even though their actual declared income would qualify them for CTR, the vast majority do not receive CTR and are therefore excluded from the scheme.
- 1.3 Even for those self-employed who do qualify for some CTR and apply for an Exceptional Hardship Payment the majority do not follow through on their application. For example, they do not supply the income and expenditure details needed in order to make a decision.
- 1.4 The breakdown of historic awards through the Exceptional Hardship Payment is shown below:

| Year | No of apps sent | No of apps returned | Awarded | No refused | Amount granted |
|---------|-----------------|---------------------|---------|------------|----------------|
| 2016/17 | 156 | 79 | 19 | 58 | £2,832 |
| 2017/18 | 66 | 38 | 10 | 28 | £2,014 |
| 2018/19 | 31 | 20 | 10 | 10 | £2,897 |
| Totals | 259 | 137 | 39 | 96 | £7,743 |

2 Proposal

- 2.1 To amend the Exceptional Hardship Policy so that those self-employed who do not qualify for CTR due to the application of the minimum income floor are able to apply for, and if their circumstances warrant it, receive an Exceptional Hardship payment.
- 2.2 To put in place a series of reminders, including telephoning and or emailing, for those who make an application but do not supply further information and for those who request an application but do not return it.
- 2.3 There is currently c£30k available in the Exceptional Hardship fund. Cabinet could consider adding to this fund either at the beginning of each financial year or during the year
- 2.4 The current Exceptional Hardship Policy at 1.3 states '*A pre-requisite to receive a payment from the Fund is that an amount of Council Tax Reduction **must be in payment** for any day that an EHF payment is requisite*'. It will be necessary to remove this from the future policy.

3 Outcome expected and performance management

- 3.1 More self-employed claimants will qualify for an Exceptional Hardship Payment,
- 3.2 Management information will be collected on:
- The number of applications sent to the self-employed
 - The number of applications received from the self-employed
 - The number of reminders sent
 - The number of awards made
 - The number of applications declined
 - A breakdown of the reasons for declining
 - The value of awards made

4 Consultation

- 4.1 To be carried out.

5 Business case and alternative option(s) considered

- 5.1 An alternative would be to remove or amend the rules around self-employed

claims in the current Council tax Reduction Scheme. Any easing of the rules would come with a cost to the Council and preceptors and would have to be adopted by full council prior to the 11 March in the year preceding the change.

6 Financial appraisal

- 6.1 The Exceptional Hardship Fund was put in place in April 2016 and was funded by the Council and the major preceptors in relation to their share of Council Tax. The initial fund was £38,700 and there is c£30,000.00 remaining.
- 6.2 As this is a cash limited fund it is possible that we receive applications where we would wish to make awards in excess of the funds available. At this point we would need to consider if the Council wished to add any additional monies to the fund.

7 Legal implications

- 7.1 Although the operation of the Exceptional Hardship Fund (EHF) is linked to the Council Tax Reduction Scheme (CTRS), the legal basis for each of these is different. Whilst CTRS is governed by the Local Government Finance Act 1992 (specifically, section 13A and Schedule 1A), the discretion to create and implement an EHF stems from the Council's general power of competence under section 1 of the Localism Act 2011.

It is a proper function of Cabinet to approve an amendment to the EHF in exercise of the Council's general power of competence.

Lawyer consulted 31.01.19

Legal ref: 008024-LDC-OD

8 Risk management implications

- 8.1 There are no new risks arising as a result of this report.

9 Equality analysis

An Equality and Fairness analysis is being carried out.

10 Appendices

- Appendix 1 - Current Lewes Exceptional Hardship Policy
- Appendix 2 - Proposed Lewes Exceptional Hardship Policy (including recommended changes)

11 Background papers

The background papers used in compiling this report were as follows:

None