

**Folkestone & Hythe
District Council
Council Tax
Financial Support Payment
Policy**



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1 Background

- 1.1 A Financial Support Payment Policy has been created by Folkestone & Hythe District Council to assist persons who have applied for Council Tax Reduction and who are facing 'exceptional hardship'. This is to provide further assistance where an applicant is in receipt of Council Tax Reduction but the level of support being paid by the Council does not meet their full Council Tax liability.
- 1.2 Financial Support Payment will be available to any applicant where their daily award of Council Tax Reduction does not meet 100% of their Council Tax liability (less any appropriate discounts and non-dependant deductions).
- 1.3 The main features of the policy are as follows:
- The operation of the policy will be at the total discretion of the Council;
 - The policy will be applied by the Council Tax, Benefits & Welfare service on behalf of the Council.
 - There is no statutory right to awards from the fund although the Council will consider all applications received;
 - Exceptional Hardship falls within Section 13A (1) of the Local Government Finance Act 1992 and forms part of the Council Tax Reduction scheme;
 - Exceptional Hardship awards will only be available for the current Council Tax year (April – March) and will not be available for any other debt other than outstanding Council Tax;
 - A pre-requisite to receive an award is that an application for Council Tax Reduction has been made;
 - Where a Financial Support Payment award is requested for a previous period, Exceptional Hardship must have been proven to have existed throughout the whole of the period requested and will only be backdated to the start of the financial year in which the application is made;
 - Financial Support Payment awards are designed as short-term help to the applicant only; and
 - All applicants will be expected to engage with the Council and undertake the full application process as required. Failure to do so may mean that no award will be made.
- 1.4 Further financial support outside of the scheme may also support those people who are suffering extreme financial hardship but who are not entitled to a Council Tax Reduction, but further detailed information of their circumstances would be required.

2 Equalities

- 2.1 The creation of a Financial Support Payment Policy facility meets the Council's obligations under the Equality Act 2010.

- 2.2 The Council recognises the impact that our Council Tax Reduction Scheme will have on those residents who are struggling financially and therefore the importance this policy has in protecting those applicants most in need of financial support. It should be noted that a Financial Support Payment Policy is intended to help in cases of extreme financial hardship and not support a lifestyle or lifestyle choice.
- 2.3 Whilst the definition of 'Exceptional Hardship' is not exactly defined by this policy, it is accepted that changes to the level of support generally will cause financial hardship and any award made will be at the total discretion of the Council. Exceptional Hardship should be considered as 'hardship beyond that which would normally be suffered'.

3 Purpose of the Financial Support Payment Policy

- 3.1 The purpose of this policy document is to specify how Folkestone & Hythe District Council will operate the scheme, to detail the application process and indicate a number of factors, which will be considered when deciding if a Financial Support Payment award can be made
- 3.2 Each case will be treated on its own merits and all applicants will be treated fairly and equally in both accessibility and also decisions made.

4 The Financial Support Payment process

- 4.1 As part of the process of applying for additional support, all applicants must be willing to undertake all of the following:
- Make a separate application in writing for assistance;
 - Provide full details of their income and expenditure;
 - Where a person is self-employed or a director of a private limited company, provide details of their business including supplying business accounts;
 - Accept assistance from either the Council or third parties (such as Citizens Advice Bureau or Money Advice Service) to enable them to manage their finances more effectively - including the termination of non-essential expenditure and assessment of the potential for additional paid employment where applicable;
 - Identify potential changes in payment methods and arrangements to assist them;
 - Assist the Council to minimise liability by ensuring that all discounts, exemptions and reductions are properly granted; and
 - Maximise their income through the application for other welfare benefits, cancellation of non-essential contracts and outgoings and by identifying

the most economical tariffs for the supply of utilities and services generally.

In addition a pre-requisite to receive an award is that an amount of Council Tax Reduction must be in payment for any day that a Financial Support Payment award is requested; the claimant must be in receipt of Council Tax Reduction for the period in which they are applying.

4.2 Through the operation of this policy the Council will look to:

- Allow a short period of time for someone to adjust to unforeseen short-term circumstances and to enable them to “bridge the gap” during this time, whilst the applicant seeks alternative solutions;
- Help applicants through personal crises and difficult events that affect their finances;
- Help those applicants who are trying to help themselves financially; and
- Encourage applicants to contact the Job Centre Plus to obtain and sustain employment if possible to do so.

4.3 A Financial Support Payment award will not be considered in the following circumstances:

- Where the full Council Tax liability is being met by Council Tax Reduction;
- For any other reason, other than to reduce Council Tax liability;
- Where the Council considers that there are unnecessary expenses/debts etc and that the applicant has not taken reasonable steps to reduce them, for example, exploring the possibility of moving to a more suitable affordable property, cancelling or reducing TV streaming services and reducing car finance payments where possible;
- To pay for any arrears of Council Tax Reduction caused through the failure of the applicant to notify changes in circumstances in a timely manner or where the applicant has failed to act correctly or honestly; or
- To cover previous years Council Tax arrears.

5 Awarding Financial Support Payment

5.1 The Council will decide whether or not to make a Financial Support Payment award, and how much any award might be.

5.2 When making this decision the Council will consider:

- The shortfall between Council Tax Reduction and Council Tax liability;
- Whether the applicant has engaged with the Financial Support Payment process;

- If a Discretionary Housing Payment has already been awarded to meet a shortfall in rent (where appropriate);
- The personal circumstances, age and medical circumstances (including ill health and disabilities) of the applicant, their partner any dependants and any other occupants of the applicant's home;
- The difficulty experienced by the applicant, which prohibits them from being able to meet their Council Tax liability, and the length of time this difficulty will exist;
- Shortfalls due to non-dependant deductions;
- The income and expenditure of the applicant, their partner and any dependants or other occupants of the applicant's home;
- All income received by the applicant, their partner and any member of their household irrespective of whether the income may fall to be disregarded under the Council Tax Reduction scheme;
- Any savings or capital that might be held by the applicant, their partner and any member of their household irrespective of whether the capital may fall to be disregarded under the Council Tax Reduction scheme;
- Other debts outstanding for the applicant and their partner;
- The exceptional nature of the applicant and/or their family's circumstances that impact on finances, and
- The length of time they have lived in the property.
- Whether or not the actions of a customer have contributed to any increased costs such as car insurance premiums.

5.3 The above list is not exhaustive and other relevant factors and special circumstances will be considered.

5.4 Applicants are encouraged to make prompt applications as refunds on paid balances are unlikely to be given.

5.5 An award of Financial Support Payment does not guarantee that a further award will be made at a later date, even if the applicant's circumstances have not changed.

5.6 A Financial Support Payment award may be less than the difference between the Council Tax liability and the amount of Council Tax Reduction paid. The application may be refused if the authority feels that, in its opinion, the applicant is not suffering 'exceptional hardship' or where the applicant has failed to comply with the Financial Support Payment process

6 Publicity

6.1 The Council will make a copy of this policy available for inspection and will be published on the Council's website.

7. Applying for a Financial Support Payment award

- 7.1 An applicant can make an application for a Financial Support Payment award by submitting an application to the Council. The application form can be obtained via the Council's website, the telephone or in person at one of the Council offices.
- 7.2 In some cases the Council may use information held to make an award in the absence of an application form.
- 7.3 Applicants can request assistance with the completion of the form from the Council Tax, Benefits & Welfare service at the Council.
- 7.4 The application form must be fully completed and supporting information or evidence provided, as reasonably requested by the Council.
- 7.5 In most cases the person who applies for the Financial Support Payment award will be the person entitled to Council Tax Reduction. However, an application can be accepted from someone acting on another's behalf, such as an appointee, if it is considered reasonable.

8. Duties of the applicant and the applicant's household

- 8.1 A person claiming a Financial Support Payment is required to:
- Provide the Council with such information as it may require to make a decision; and
 - Tell the Council of any changes in circumstances that may be relevant to their ongoing award within 21 days of the change.

9. Changes in circumstances

- 9.1 The Council may revise an award of Financial Support Payment where the applicant's circumstances have changed which either increases or reduces their Council Tax Reduction entitlement.

10. The award and duration of a Financial Support Payment

- 10.1 Both the amount and the duration of the award are determined at the discretion of the Council, and will be done so on the basis of the evidence supplied and the circumstances of the application.
- 10.2 The start date and duration of any award will be determined by the Council. The maximum length of the award will be limited to the financial year in which the application is received.

- 10.3 Any Financial Support Payment award will be made direct onto the taxpayer's Council Tax account, thereby reducing the amount of Council Tax payable.

11. Kent County Council Care leavers

- 11.1 If the applicant identifies as being a Kent County Council (KCC) care leaver aged over 21 to 25 they would be automatically awarded up to 100% support in Council Tax once Council Tax Reduction has been applied.

- 11.2 The care leaver would need to apply for support each year and this would only be applicable where Council Tax Reduction is awarded. Evidence would need to be received from KCC to show the appropriate care leaver status.

12. Overpaid Financial Support Payment awards

- 12.1 Overpaid Financial Support Payment awards will generally be recovered directly from the applicant's council tax account, thus increasing the amount of council tax due and payable. Overpayments may occur as a result of misrepresentation or a change in circumstances.

13. Notification of an award

- 13.1 The Council will notify the resident of the outcome of their application for a Financial Support Payment award in writing via email or post.

14. Appeals

- 14.1 Financial Support Payment awards are granted under Section 13A (1) of the Local Government Finance Act 1992 as part of the Council Tax Reduction scheme, as such the normal Council Tax appeal process applies and an appeal can be made at any time. The initial appeal should be made to the Council who will review any decision. Ultimately any decision can be considered by an independent Valuation Tribunal.

- 14.2 The outcome of the appeal will be set out in writing, detailing the reasons for the decision or upholding the original decision.

15. Fraud

- 15.1 The Council is committed to protect public funds and ensure funds are awarded to the people who are rightfully eligible to them.

- 15.2 An applicant who tries to fraudulently claim a Financial Support Payment by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under The Fraud Act 2006.

- 15.3 Where the Council suspects that such a fraud may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings being instigated.

16. Complaints

- 16.1 The Council's Complaints Procedure (available on the Council's website) will be applied in the event of any complaint received about the application of this policy.

17. Policy review

- 17.1 This policy will be reviewed in line with any changes in legislation and as a minimum on an annual basis. Minor alterations to the policy will be approved by Folkestone & Hythe District Council's Corporate Services Director or Chief Financial Services Officer in consultation with the Cabinet Member responsible for Finance & Governance. Any substantive alterations to the content of the policy will be approved by Cabinet.

March 2024