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| <b>Report To:</b>          | <b>SCRUTINY PANEL A</b>                        | <b>Date:</b> | <b>31 JULY 2018</b> |
| <b>Heading:</b>            | <b>COUNCIL TAX EXEMPTIONS FOR CARE LEAVERS</b> |              |                     |
| <b>Portfolio Holder:</b>   |  |              |                     |
| <b>Ward/s:</b>             | <b>ALL</b>                                     |              |                     |
| <b>Key Decision:</b>       | <b>NO</b>                                      |              |                     |
| <b>Subject to Call-In:</b> | <b>NO</b>                                      |              |                     |

### **Purpose of Report**

At the last meeting of the Panel, held on the 7 June 2018, Members were introduced to the topic of Council Tax exemptions for care leavers. The item was added to the workplan following consultation in February 2018.

This report provides further background to the topic and a draft proposed scheme for consideration by the Panel.

### **Recommendation(s)**

- Note the information contained in this report
- Consider the proposed scheme attached as Appendix 1
- Provide any further comments for Cabinet in consideration of the proposed scheme.

### **Reasons for Recommendation(s)**

Council Tax Exemptions for Care Leavers is currently on the Forward Plan for decision in September 2018.

### **Alternative Options Considered**

*Not adopting a Council Tax Exemption Scheme for Care Leavers*

### **Detailed Information**

#### **A Comprehensive local offer for care leavers**

The Council has the discretion to reduce the council tax liability for individuals or prescribed groups

as it thinks fit. This discretion is exercised in accordance with section 13A (1) (c) of the Local Government Finance Act 1992.

The proposed scheme at Appendix 1 is in addition to the Council's current Local Council Tax Support Scheme (CTS scheme) and will provide assistance to people living within the District that have previously been in care and meet the appropriate qualifying criteria, as detailed in Appendix 1. The proposed Care Leave Reduction Scheme will only be applied after all other relevant discounts and exemptions have been applied.

It is anticipated that some care leavers will already be receiving assistance through the Ashfield's CTS Scheme, which grants a reduction to council tax payers based on an assessment of their means to pay. Where the qualifying criteria is met and all discounts and exemptions, including CTS, do not cover the full Council Tax charge, then under this scheme the qualifying care leaver will receive further assistance to cover 100% of their council tax charge.

### **Nottinghamshire – County wide scheme**

Nottinghamshire County Council has promoted the 100% Exemptions for Care Leavers across the county and most (if not all) Nottinghamshire's Districts and Boroughs are now implementing similar schemes.

The County and Districts are now working together to agree the scheme administration process to find a consistent approach across Nottinghamshire. The administration of these schemes will rely on Districts receiving up to date information from Nottinghamshire County Council on a regular basis ADC will also be attending this meeting so that we can ensure that our scheme, if approved, will be in step with the arrangements made with other Nottinghamshire councils.

### **Financial Implications for Ashfield District Council and other Preceptors?**

To implement such a scheme would require a change to the Council Tax system. The Council does not currently have the software to administer such a reduction in council tax therefore an upgrade to the system would be required. The cost of purchasing this software would be approximately £5,700 plus an ongoing annual maintenance fee of £1,100. The cost of the additional software can be met from 2018/19 Revenues service budget. The on-going maintenance costs will be met from the Revenues & Benefits Application Software maintenance and licensing budget.

Although the Council is aware that there are currently 104 care leavers living within the District, it is not fully aware of the demographic of these individuals and how many of these are currently receiving Council Tax Support.

Based on a situation where all 104 required additional support through the additional care leavers' reduction scheme, then there would be a reduction of approximately £120,000 per annum in collection of Council Tax. Based upon the 2018/19 precepts, Ashfield District Council's share of this would be approximately £12,000 (or 9.9%) with the other precepting authorities (Nottinghamshire County Council, Nottinghamshire Police and Crime Commissioner and Nottinghamshire Fire Authority) meeting approximately £108,000 (or 90.1%)

The Scheme Guidelines are provided in the Appendix 1.

### **Considerations by the Panel**

At the last meeting of the Panel, Members took the opportunity to raise a number of additional issues associated with care leavers. These included;

- the methods to be utilised to enable the Council to identify care leavers and offer them the appropriate support and acknowledgement of an arrangement with the County Council to advise the Council as care leavers depart the system;
- the importance of providing care and support to care leavers who have ongoing mental health issues;
- the decisions made by neighbouring authorities in relation to providing Council Tax exemptions for care leavers as a comparison marker;
- how the Council Tax exemption would apply to care leavers moving into hostels as opposed to fully independent living;
- whether the Council currently works with other agencies who provide care and support to care leavers;
- acknowledgement that the exemption, if applied until 25, would not be means tested and contact with the young person(s) would be minimal if they did not present with further benefit requirements;

For the purpose of this review, Members are asked to consider the details of the proposed scheme. Additional areas associated with this review relating to support (outside of Council Tax Exemptions) should be considered as a possible separate workplan item.

## **Implications**

### **Corporate Plan:**

Community and Customer Focused, Putting People First

We will place residents at the heart of our services and treat everyone fairly, involving people in decisions and asking them to shape their own futures. We will listen and learn, whilst recognising individual needs and designing services around those rather than simply standardising, particularly targeting resources at areas of most need

### **Legal:**

The Council has the discretion to reduce council tax liability for individuals or prescribed groups as it thinks fit. This discretion is exercised in accordance with section 13A (1) (c) of the Local Government Finance Act 1992.

### **Finance:**

The Financial assumptions detailed in this report are based on 104 care leavers living within the District.

| <b>Budget Area</b>               | <b>Implication</b>        |
|----------------------------------|---------------------------|
| General Fund – Revenue Budget    | As detailed in the report |
| General Fund – Capital Programme | As detailed in the report |

|   |                           |
|---|---------------------------|
| Housing Revenue Account – Revenue Budget    | As detailed in the report |
| Housing Revenue Account – Capital Programme | As detailed in the report |

**Risk:**

| <b>Risk</b>  | <b>Mitigation</b>                                  |
|--|--|
| Not providing adequate support and protections in light of the additional vulnerabilities Care Leavers may face. | Adopting a Council Tax Exemption for Care Leavers. |

**Human Resources:**

There are no immediate Human Resource implications arising from this report, any identified during the course of the review will be highlighted in all future reports.

**Equalities:**

Ashfield District Council, in the exercise of its functions, aims to have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic.

The Council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The Council must have due regard to the need to tackle prejudice and promote understanding.

**Other Implications:**

*None*

**Reason(s) for Urgency**

*None*

**Reason(s) for Exemption**

*None*

**Background Papers**

[\*A National Offer for Care Leavers - Preventing them from falling into financial difficulty – Children’s Society 2017\*](#)

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## Proposed Scheme

### **Introduction**

Ashfield District Council has the discretion to reduce the council tax of any council tax payer for reasons of hardship or any other reason the authority wishes. This discretion is allowed by section 13A (1)(c) of the Local Government Finance Act 1992.

The Council has determined that it will provide a 100% reduction in council tax to those persons liable to pay council tax within the District who are defined as care leavers and are between the ages of 18 to 25 years.

Providing this support will help care leavers manage the social and financial transition from local authority care to independent living.

### **Delegation**

The authority to determine applications for council tax reduction for care leavers is delegated to the Director of Resources and Business Transformation. Each request for relief will be considered on its own merits.

### **Who is eligible for council tax reduction?**

For the purposes of this guidance, a care leaver is defined as a person aged between 18 and 25, who is resident in Ashfield District with a council tax liability and:

- i. has been in the care of a local authority for a period, or cumulative periods equalling at least 13 weeks since the age of 14 and which ended on or after their 16th birthday, or;
- ii. is aged between 16 and 21 and with respect to whom a guardianship order is in force (or was in force on their 18th birthday) and was looked after immediately before the making of that order, or;
- iii. at any time after their 16th birthday but before their 18th birthday, was, but no longer is, looked after, accommodated or fostered.

This definition incorporates the statutory definitions of “former relevant child” and “qualifying care leaver” as defined in the Children Act 1989.

### **How will council tax reduction be applied?**

The council tax reduction will take effect from 1st April 2018. Care leavers who become responsible for council tax after this date will be granted a reduction from the date their council tax liability begins. Care leavers who are liable for council tax on 1st April 2018 will be granted a reduction from 1st April 2018.

The reduction will be awarded after all other relevant discounts, reductions and exemptions to the council tax liability have been awarded.

Where the reduction is awarded, it will remain in place until the care leaver reaches the age of 25 years (the care leaver’s 25th birthday) or ceases to be liable for the council tax, whichever date occurs first. In these circumstances, the bill will be apportioned.

Where a reduction has been awarded, a council tax bill will be issued showing the detail of the reduction. If a request for reduction is refused, a letter will be issued detailing the reasons for the refusal.

### **How much council tax reduction will be applied?**

ADC's Council Tax Reduction scheme is one of the few that still allows for a maximum 100% discount for people on low incomes. Some Care Leavers have been means tested to determine the appropriate level of discount. Care Leavers living in Ashfield can therefore already receive 100% reduction based purely on a means tested process. However, these proposals extend the provision to ensure that all Care Leavers, irrespective of income, will receive a reduction of 100%.

Where a care leaver has a liability for council tax, the reduction in that liability will be 100%. The amount of reduction awarded will be the relevant amount (after all other discounts, reductions and exemptions) required to reduce the care leaver's council tax liability amount to zero.

If, subsequent to an award, the care leaver's liability for council tax reduces during the period of the award, for example if the care leaver becomes entitled to a single person discount, the care leaver's reduction will be amended to ensure the award does not exceed the care leaver's council tax liability for the period.

Where there is a shared liability for council tax, the reduction will only be paid to cover the share for which the care leaver would be liable.

### **Right of appeal**

Under section 16 of the Local Government Finance Act 1992, a person applying for a reduction in council tax but disagrees with the decision of the Council may appeal the decision.

This appeal in the first instance should be made to the Council's Revenues Team. If after this the person making the request for reduction is still not satisfied, they may then make an appeal to the Valuation Tribunal for England (VTE).

The VTE is an independent body which adjudicates between taxpayers and the Council. Appeals to the VTE must be made directly to the VTE.