

Report To:	SCRUTINY PANEL A	Date:	7 JUNE 2018
Heading:	INTRODUCTION TO CONSIDERATION OF NEW SCRUTINY TOPIC – COUNCIL TAX EXEMPTIONS FOR CARE LEAVERS		
Portfolio Holder:			
Ward/s:	ALL		
Key Decision:	NO		
Subject to Call-In:	NO		

Purpose of Report

Following consultation on the Scrutiny Workplan, the topic of Council Tax exemptions for care leavers has been suggested as a potential workplan item for Scrutiny consideration in 2018/19. Consideration of this topic is subject to approval for its inclusion on the Workplan at the Overview and Scrutiny Committee meeting on the 5 June 2018.

This report sets out an overview of the issue, sets the scene on the national discussion currently underway and details the Council's current position regarding exemptions. In attendance at the meeting will be the Service Manager, Revenues and Benefits to assist the Panel in its considerations.

Recommendation(s)

- **Note the information contained in this report**
- **Agree a clear terms of reference, with anticipated value of the review**
- **Identify any further information required for consideration of this topic**

Reasons for Recommendation(s)

Council Tax Exemptions for Care Leavers is due to be discussed as a possible topic for inclusion on the Overview and Scrutiny Workplan on the 5 June.

Alternative Options Considered

(with reasons why not adopted)

No alternative options considered yet, any considerations following the review will be detailed to a report to Cabinet in due course.

Detailed Information

Background

Comprehensive local offer for care leavers

The government have recognised the financial difficulties which care leavers can face when transitioning into independence in their latest care leavers' strategy.

The report "A National Offer for Care Leavers - Preventing them from falling into financial difficulty" was issued by The Children's Society in November 2017 in response.

The report lists the following recommendations to shape the "National Offer"

The 'National Offer' for care leavers should:

1. Make sure that care leavers are exposed to a less severe sanction regime to better support them into work.
2. Allow low-income working care leavers to claim the same in-work benefits as older adults without children to boost their income in recognition that they may have greater financial responsibilities than other young people of their age.
3. Extend the higher rate of housing benefit they may receive until the age of 25 to promote stability.
4. Exempt all care leavers under the age of 25 from council tax in recognition of the corporate parenting role of the local authority.

The National Offer will make sure that care leavers receive support and protections in light of the additional vulnerabilities they may face.

Recommendation 4 falls within the powers of local government. In order to determine whether the recommendation should be adopted Ashfield District Council should consider what help is already available within Ashfield.

Local Council Tax reduction Schemes (LCTR Schemes)

Local Council Tax reduction schemes were introduced in 2013 to replace the national Council Tax Benefit scheme. Local Council Tax Reduction schemes grant a reduction to council tax payers based on an assessment of their means to pay, exactly like the old Council Tax Benefit scheme. However, unlike the old Council Tax Benefit scheme there is no longer a requirement to provide up to 100% reduction of the council tax liability for claimants on the lowest income levels (often referred to as "passport" cases).

Local Authorities were free to design their own schemes and decide how much they should cost. With the financial pressures on councils increasing over recent years many of these schemes have become less generous. In most areas of the country even those on very low levels of income now have to pay something towards their council tax liability as very few councils now provide 100% reduction in their Local Council Tax Reduction schemes.

Many council's require a minimum payment of council tax between 10% and 25%, with some as high as 40%. If care leavers have not been categorised in a protected group then they would be required to make some payments, regardless of how low their income is.

Ashfield District Council's Council Tax Reduction scheme is one of the few that still allows for a maximum 100% discount for people on low incomes. Claimants are means tested to determine the appropriate level of discount. Care Leavers living in Ashfield can already receive 100% reduction based purely on a means tested process.

Other help already available for Care Leavers

Council Tax Discounts/ Exemptions – Prescribed in the Council Tax Regulations

There are a number of exemptions already in place which are of particular relevance to young people, including care leavers:-

- people on some apprentice schemes (earning less than £195 per week)
- 18 and 19-year-olds in full-time education
- full-time college and university students
- young people under 25 who get funding from the Skills Funding Agency or Young People's Learning Agency
- student nurses
- people with a severe mental impairment

A number of local authorities are currently exploring a similar 100% discount for care leavers. Some have proposed a national exemption from Council Tax for care leavers up to the age of 25, regardless of their financial position.

This view assumes that the level of support already available to care leavers is the same for all local authorities, when clearly that is not the case. This new exemption would be provided under Section 13a (1) (c) of the Local Government Finance Act 1992.

Reduction under Section 13a (1)(c) of the Local Government Finance Act 1992

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.

Anyone can apply for a discretionary reduction under this provision. It is usually granted for cases of exceptional hardship or where difficult or extreme circumstances exist. This allows the council to assess individual cases on their merits and make a decision to reduce or remove any council tax liability.

Likely Cost to ADC

Based on the current estimates it may be that the majority of care leavers fall within the scope of existing reductions under Council Tax Reduction Scheme. If this is the case, then if Ashfield District Council decides that is sufficient then there would be no additional cost to the council and no loss of council tax income.

However, if members feel that a further reduction is required for care leavers to provide a non-means tested 100% discount to all care leavers (as recommended by the Children's Society) then there are a number of additional factors members should consider.

As part of consideration of this topic, advice from Finance and Nottinghamshire County Council on potential numbers and financial impact will be sought prior to any recommendations to Cabinet.

Next Steps

To support Members in consideration of this topic, The Service Manager, Revenues and Benefits will be in attendance at the meeting to provide an overview of the topic and discuss any potential implications.

The first meeting on this topic will be to provide Members with

- an overview of the issue;
- discuss local and national Implications
- Identify required information list, including statistics, research, financial implications & benchmarking;
- Specify any expert witnesses;

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:

This report is an introductory overview. No financial information has yet been considered by the Panel Members. Full financial impact advice will be sought from Finance following the initial meeting to assist Members in their understanding of the issue and its implications.

Budget Area	Implication
General Fund – Revenue Budget	As detailed above
General Fund – Capital Programme	As detailed above
Housing Revenue Account – Revenue Budget	As detailed above
Housing Revenue Account – Capital Programme	As detailed above

Risk:

Risk	Mitigation
<p>Due to this being an initial scoping review no risks have yet been identified. Following the initial meeting, any risks identified will be detailed in all future reports on the topic.</p>	<p>Risks will be identified at the initial meeting of the Panel on the 5 June 2018.</p>

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](#)

Report Author

Craig Scott
 Service Manager, Revenues and Benefits
c.scott@ashfield.gov.uk Tel: 01623 457263

Contact Officer

Mike Joy
 Service Manager, Scrutiny and Democratic Services
m.joy@ashfield.gov.uk Tel: 01623 457232