

**STROUD DISTRICT COUNCIL**  
**COUNCIL**

**AGENDA  
ITEM NO**

**24 JANUARY 2019**

**6cvi**

Strategy and Resources Committee – 17 January 2019 – Agenda Item 13

<b>Report Title</b>	<b>COUNCIL TAX DISCOUNT FOR CARE LEAVERS</b>
<b>Purpose of Report</b>	<p>Section 13A(3) of the Local Government Finance Act 1992 gives the council discretion to reduce the amount of council tax payable. This can be for individual cases or by determining a class of case.</p> <p>This report proposes that a class of case is determined for Gloucestershire Care Leavers between the ages of 18-21 residing in the Stroud District.</p>
<b>Decision(s)</b>	<b>Strategy and Resources Committee RECOMMENDS to Council that it adopts the scheme to be effective from 1<sup>st</sup> April 2019.</b>
<b>Consultation and Feedback</b>	This is a county wide scheme set up in consultation and agreement with the other 5 district councils in Gloucestershire and the Gloucestershire County Council.
<b>Financial Implications and Risk Assessment</b>	<p>If this scheme is adopted it will result in a minimal reduction to the tax base. Any reduction will have to be considered as part of the MTFP process.</p> <p>Adele Rudkin Accountant Tel: 01453 754109 <a href="mailto:adelerudkin@stroud.gov.uk">adelerudkin@stroud.gov.uk</a></p>
<b>Legal Implications</b>	The Council as billing authority for council tax and has power at Section 13A Local Government Finance Act 1992 to reduce the amount of tax payable on a dwelling by s13A(1). The Council can reduce this amount to nil by s13A(2) or, by s13A(3) determine a class of case which has reduced liability. These provisions were added to the 1992 Act by the Local Government Act 2003.
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<b>Options</b>	The Council could choose not to approve a Care Leavers discount.
<b>Performance Management Follow Up</b>	The impact of these changes and costs will be monitored on an on-going basis and any significant changes will be reported to the committee.

<b>Background Papers/ Appendices</b>	Appendix A – Summary of Scheme  The Local Government Finance Act 1992 amended by section 10 of The Local Government Finance Act 2012 <a href="https://www.legislation.gov.uk/ukpga/2012/17/contents">https://www.legislation.gov.uk/ukpga/2012/17/contents</a>
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## **1. BACKGROUND**

- 1.1 Section 13A of the Local government Finance Act 1992 gives the council discretionary powers to reduce the amount of council tax payable in individual cases or for classes of case. This includes reducing the amount payable to nil.
- 1.2 The Government made recommendations in its care leavers strategy “Keep on Caring” published in July 2016 that local authorities should consider exempting care leavers from council tax, using their discretionary powers under Section 13A.
- 1.3 Care leavers are considered to be a particularly vulnerable group for council tax debt. Moving to independent accommodation and managing finances for the first time is challenging. Care leavers are faced with a new set of potentially overwhelming responsibilities without the family support and wider network that most other young people can rely on.
- 1.4 The 6 district Councils and Gloucestershire County Council are working together to provide a common council tax scheme for care leavers which provides a consistent approach across Gloucestershire.
- 1.5 Appendix A provides detail of the scheme for awarding a council tax discount for Care Leavers from April 2019.
- 1.6 Any reduction awarded using this power must be funded by the billing authority. However, by agreement Gloucestershire County Council will fund its share of the cost of any care leaver discount awarded.

## **2. CARE LEAVERS’ DISCOUNT SCHEME**

- 2.1 The Council Tax Discount Scheme for Care Leavers detailed in Appendix A proposes discounts for Care Leavers between the ages of 18-21 residing in the Stroud District, who were formerly in the care of Gloucestershire County Council.
- 2.2 The scheme will provide for a full exemption from council tax to be awarded where care leavers live alone and a 50% discount where they live with others.
- 2.3 Some Care Leavers will already have their council tax reduced. The Care leaver discount will be awarded after all other discounts, exemptions and council tax support.

2.4 The full eligibility criteria and arrangements for administering the scheme are detailed in Appendix A.

2.5 The relevant team at Gloucestershire County Council will liaise with the Revenue Teams to ensure the necessary information is available to enable the Care Leavers Discount.

### **3. FUNDING AND COST OF THE SCHEME**

3.1 Creating the Care Leavers Discount Scheme will form part of an overall package to prepare Care Leavers for independence and support them in making an effective social and financial transition from Local Authority care. Ultimately it will help to improve the life chances of looked after children.

3.2 The discounts will sit alongside a number of other support arrangements provided to care leavers by Gloucestershire County Council.

## **Stroud District Council**

### **Council Tax Discount Scheme for Care Leavers**

#### **1. Background**

The government made recommendations in its care leavers strategy “Keep on Caring” published in July 2016, that local authorities should consider exempting care leavers from council tax, using their existing discretionary powers under Section 13a of the local Government Finance Act 1992. Many Councils have since introduced discounts for care leavers.

The 6 Gloucestershire District Councils (billing authorities) and Gloucestershire County Council have worked together to agree a common council tax discount scheme for Care Leavers from April 2019.

Discounts made using this power have to be funded by the billing authority. Gloucestershire County Council, by agreement, will fund its share of the cost of any Care Leavers discounts proportionate to its share of the council tax.

#### **2. Legal Provision**

Billing authorities have discretion under Section 13A(1)(c) of the Local Government Finance Act 1992 to reduce the amount of council tax payable for individuals, or for classes of council taxpayer. This includes the power to reduce the amount payable to nil.

This provision is separate to and distinct from the Council Tax support scheme which is made under Section 13A(1)(a) of the Local Government Finance Act 1992. It allows the Council to reduce the amount payable after all statutory discounts and exemptions and local council tax support.

#### **3. Eligibility Criteria**

- A care leaver, for the purpose of this policy, is defined as a young person aged 18 – 21 who was formerly a child in the care of Gloucestershire County Council and then became a Former Relevant Child as defined by The Children (Leaving Care) Act 2000. The Care Leaver must be resident and liable for council tax on a property within the Stroud District Council area
- A Care Leaver must be aged 18-21 years old to qualify for a reduction under the care leavers discount scheme. A Care Leaver will cease to qualify for the discount from the date of their 22<sup>nd</sup> birthday
- The Care Leaver must be the liable person for council tax, either solely or jointly and severally with other(s), at the dwelling in respect of which the application is made. The council tax bill must be in their name

- Where a Care Leaver lives in a HMO or other property where they are not the council tax payer no discount will be awarded
- The Care Leaver discount will apply to occupied properties only
- Confirmation that a claimant is a Gloucestershire County Council Former Relevant Child Care Leaver must be received from Gloucestershire's 11-25 Permanency Service.

#### **4. Care Leaver Discount**

The Care Leaver Discount is effective from 1<sup>st</sup> April 2019

Care Leavers that meet the eligibility criteria above will be eligible to apply for a discretionary council tax discount as follows.

- Where a property is solely occupied by Care Leaver(s) 100% discount will be awarded,
- Where a Care Leaver is in occupation and jointly liable with others 50% discount will be awarded

The Care Leaver discretionary discount will be awarded after statutory discounts, exemptions, disability discount and local council tax support.

#### **5. Application Process and Administration**

Gloucestershire County Council's 11-25 Permanency Service will provide information to confirm the name, address and date of birth of Care Leavers, living in the Stroud area who will qualify for the discount.

A Care Leaver discount may also be awarded where the following information is provided and the Care Leaver status has been verified with Gloucestershire County Council's 11-25 Permanency Service.

##### **An application should provide the following information:**

- Full name
- Date of birth
- Current address
- Details of any other adults in the property and relationship to them
- Details of any circumstances that would be relevant to entitlement to legislative
- discounts, disregards or exemptions
- Contact details
- Name of Leaving Care Worker if known

Awards will be made directly by a discount in council tax liability and notification of the discount being awarded will be by way of the council tax bill.

The Revenues and Benefits Service will undertake periodic reviews appropriate to the individual circumstances of each case.

The care leaver (or his/her appointee or a recognised third party acting on his/her behalf) must advise Stroud District Council of any change in circumstances which may affect entitlement to the discount within 21 days of the change occurring.

Any overpaid Care Leaver discount will be reclaimed through the relevant council tax account and collected and recovered under the Council tax (Administration and Enforcement) Regulations 1992.

## **6. Review of Decision / Backdating**

Under the Local Government Finance Act 1992, there is no right of appeal against the Council's use of discretionary powers. However, the Council will accept a written request for a reconsideration of the initial decision. The request must be supported by further information or evidence and be made within one calendar month of the decision. The reconsideration will be undertaken by the Revenue and Benefit Manager.

The Council will accept applications backdated to the beginning of the financial year, or to the date the care leaver became responsible for council tax so long as the date is not more than 12 months prior to the date of the application. The Care Leaver discount cannot be awarded prior to 1<sup>st</sup> April 2019.