

LOCAL COUNCIL TAX DISCOUNT FOR CARE LEAVERS

Head of Service:	Judith Doney, Head of Digital and Service Transformation
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	
If yes, reason urgent decision required:	
Appendices (attached):	Appendix 1 – Letter from MHCLG dated 13.01.2021 Appendix 2 – Letter from Surrey County Council requesting a Care Leavers discount

Summary

This report provides information to enable Committee to make a decision on whether it wishes to introduce a local care leavers discount from 01 April 2022

Recommendation (s)

The Committee is asked to:

- (1) To consider introducing the Local Care Leavers Discount on Council Tax detailed in paragraph 3.1 of this report.**

1 Reason for Recommendation

- 1.1 On 13 January 2021 the Ministry of Housing, Communities and Local Government's wrote to local authorities asking them to consider a discount for care. Following this letter Surrey County Council requested all Surrey Districts and Boroughs to bring forward a motion to support Surrey County care leavers by introducing a council tax discount for those leaving care aged 18 – 24 years.

2 Background

- 2.1 A 2016 report by the Children's Society found that when care leavers move into independent accommodation, they find managing their own finances extremely challenging. With no family to support them and insufficient financial education, care leavers are falling into debt and financial difficulty. The Children's Society recommends that care leavers should be taken out of Council Tax until they turn 25.

Strategy and Resources Committee

27 January 2022

- 2.2 In 2017 The Children and Social Work Act 2017 placed corporate parenting responsibilities on borough and districts councils for the first time, requiring them to have regard to children in care and care leavers when carrying out their functions
- 2.3 In January 2021 the Ministry of Housing, Communities and Local Government highlighted that 40% of care leavers are not in education, employment or training, and many are at risk of financial vulnerability and often have problems with debt and arrears. It appealed for all local authorities to implement best practice and provide all care leavers with Council Tax exemption.
- 2.4 Care leavers have had their childhoods punctuated by instability and trauma, they leave home earlier and have less support than other young people. As a result, care leavers have some of the worst life chances in the country.
- 2.5 With Tandridge Borough Council agreeing to implement a Local Council Tax Discount for Care Leavers from 1 April 2022 Epsom & Ewell Borough Council is the only Surrey Council still to make a decision on the local care leavers discount.
- 2.6 Sections 13A(1)(c) and 13A(7) of the Local Government Finance Act 1992 allows the Council to determine a reduction class (a specific group of persons) to reduce the amount of council tax payable. There are financial implications to awarding reductions and the financial burden of Section 13A reductions has to be met by Epsom & Ewell Borough Council alone. However, for a reduction under Section 13A for Care Leavers Surrey County Council have agreed to reimburse the Council under separate arrangements for what would have been its share of the council tax reduction if not for the award being under Section 13A.

3 Practical implementation

3.1 Process

3.1.1 The Section 13A Care Leavers Discount is in addition to and does not amend or replace the current Section 13A policy covering reductions for exceptional circumstances. Any Care Leavers Discount will be awarded after all other relevant discounts and exemptions have been applied.

3.1.2. From 1 April 2022 young people who have left care (care leavers) and are living in independent or semi-independent living arrangements will not be treated differently with regard to council tax liability until their 25 birthday. On this basis the level of Care Leaver discount will vary depending on the household circumstances:

- If a property is only occupied by care leavers – 100% discount

Strategy and Resources Committee

27 January 2022

However, there will be occasions where the care leaver only forms part of the household in which case the level of overall discount awarded on the account will be reduced. This is due to the way the Council Tax Charge is calculated under the governing legislation, where 50% of the charge is derived from the number and type of residents in the household and 50% based on the property type. Below sets out the maximum level of discount that can be awarded on an account where the care leaver forms part of the household.

- If all but one person living in a property are care leavers – 25% discount
- If two or more people living in a property are not care leavers – 0% discount
- If other than for the care leaver(s) the property would be exempt – 100% discount
- If other than for the care leaver(s) all residents would be disregarded – 50% discount

3.1.3. A care leaver is an adult who has spent time in foster or residential care, or in other arrangements outside their immediate or extended family before the age of 18. A care leaver will only qualify where Surrey County Council Children's Services confirm they consider the resident a care leaver for the purposes of this policy.

3.1.4. An application form will be published on our website requesting details such as name, address, date of birth and household information and the care leavers status will be verified by Surrey County Council or the personal adviser appointed or approved by Surrey County Council.

3.1.5. Where the qualifying criteria is met delegated authority to award is to be made at officer level. Where Section 13A Care Leaver Discount is not awarded the taxpayer can request a review of the application to the Revenues and Benefits Manager. If an award is still not made, under the Local Government Finance Act 1992, an appeal of the decision to not award can then be made to the independent Valuation Tribunal Service.

4 Risk Assessment

Legal or other duties

4.1 Impact Assessment

4.1.1 Care Leavers are not identified as having 'Protected Characteristics' under the Equality Act 2010, so there are no specific Equality Implications for the purposes of this report

4.2 Crime & Disorder

4.2.1 None for the purposes of this report

Strategy and Resources Committee

27 January 2022

4.3 Safeguarding

4.3.1 The Children and Social Work Act 2017 places corporate parenting responsibilities on borough and district councils for the first time, requiring them to have regard to children in care and care leavers when carrying out their functions

4.4 Dependencies

4.4.1 None for the purposes of this report

4.5 Other

4.5.1 Local discounts are set up for the purpose of assisting a specified group and not because there is a funding stream available. Therefore, should funding from County cease the financial cost for the full discount going forward would have to be funded by the Council as lack of funding would not be a legitimate reason for ceasing the discount and if we were to do so we could be open to legal challenge. (Several Valuation Tribunal cases have clarified the point that lack of funds is not a valid reason for not awarding relief)

4.5.2 In introducing this discount it could open us up to legal challenge from other sections of the community who may feel they should be entitled to a local discount if they are not given a similar discount . This could potentially lead to increased costs which would be solely funded by the Council.

5 Financial Implications

5.1 The Council is fully responsible for meeting the cost of the any local discount and therefore there would be a financial impact on the authority as well on Council Tax payers.

5.2 The last figures that were supplied to the Head of Housing and Environmental Services on the number of care leavers was in 2019 when there were 24 care leavers in the Epsom and Ewell area. However, Surrey County Council has provided the position for the numbers of care leavers in independent or semi-independent living accommodation in the Epsom area on 1 July 2021 which is a total of 11. (Appendix 2) This assumes that the care leavers are in Band B properties. Surrey County Council also estimate an increase of 3 care leavers in-year.

5.3 On the basis of 14 care leavers the maximum cost of implementing the care leavers discount for the Council would be £22,245.02 but after other statutory discounts are applied this may reduce to £16,683.80.

Strategy and Resources Committee

27 January 2022

- 5.4 However, to offset this cost Surrey County Council Cabinet have agreed to reimburse Councils who introduce the discount under separate arrangements for its share of the Care Leavers discount (75%) until 2024. This would then reduce the cost to the Council to the remaining 25% which for 14 care leavers, after other statutory discounts are applied, would be £4,170.92.
- 5.5 **Section 151 Officer's comments:** In deciding whether to introduce a council tax discount for care leavers, members should be aware of the risk that Surrey County Council could withdraw funding of the discount from 2024 onwards. Should this occur, EEBC would have to identify alternative funding from its own limited resources to meet the cost of continuing the discount.

6 Legal Implications

- 6.1 Sections 13A(1)(c) and 13A(7) of the Local Government Finance Act 1992 allows the Council to determine a reduction class (a specific group of persons) to reduce the amount of council tax payable.
- 6.2 There are already a number of other discounts and exemptions that depending on the circumstances of the care leaver may apply.
- Single Person Discount – all single people living on their own in a property can receive a 25% discount and this is automatically awarded.
 - Apprentice disregard – if the individual lived alone they would receive a 50% reduction in their Council Tax charge where they meet the definition of a qualifying apprentice
 - Student discount – 100% exemption for households where everyone living in a property are full time students
 - Council Tax Income Discount which provides up to 80% relief for those on social security benefits, such as Universal Credit
 - Section 13A also allows for a person liable to pay Council Tax to apply for a reduction of up to 100% of their Council Tax due to severe financial hardship.

Whilst all these would be available to eligible care leavers they would require the individual to pay some level of Council Tax (unless they received a Section 13A reduction due to exceptional financial hardship)

Strategy and Resources Committee

27 January 2022

- 6.3 **Legal Officer's comments:** Section 13A(1)(c) of the Local Government Finance Act 1992 gives the Council the discretionary power to reduce liability for Council Tax in relation to particular cases or by determining a class of cases where national discounts and exemptions cannot be applied. The Council has the right to choose whether to use its powers on a case-by-case basis or it also has the right to specify a class of use. A class of use is where several people who pay Council Tax fall into a group because their circumstances are similar. Section 13A(1) states 'Where a person is liable to pay Council Tax in respect any chargeable dwelling and any day, the billing authority for the area in which the dwelling is situated may reduce the amount which he is liable to pay as respects the dwelling and the day to such extent as it thinks fit.'

There are a number of pieces of legislation and statutory guidance that set out the role of the local authority in respect of children in care and care leavers. There are statutory obligations and guidance for the role of the Local Authority as the Corporate Parent in the Children's Act 2017, and the Children and Young People Act 2008.

As the provision of a discount is discretionary, the Council has the power to agree to the discretionary discount.

7 Policies, Plans & Partnerships

- 7.1 **Council's Key Priorities:** The following Key Priorities are engaged:

Safe and Well – Work with partners to improve the health and wellbeing of our communities focusing in particular on those who are more vulnerable.

- 7.2 **Service Plans:** The matter is included within the current Service Delivery Plan.

- 7.3 **Climate & Environmental Impact of recommendations:**

None for the purposes of this report

- 7.4 **Sustainability Policy & Community Safety Implications:**

None for the purposes of this report

- 7.5 **Partnerships:**

None for the purposes of this report

8 Background papers

- 8.1 The documents referred to in compiling this report are as follows:

Previous reports:

None for the purposes of this report

Strategy and Resources Committee
27 January 2022

Other papers:

None for the purposes of this report