



WEST OXFORDSHIRE
DISTRICT COUNCIL

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Name and date of Committee	CABINET – WEDNESDAY 15 JANUARY 2020
Report Number	AGENDA ITEM No. 8
Subject	Council Tax Exemption for Care Leavers
Wards affected	ALL
Accountable member	Cllr Toby Morris. Cabinet Member for Resources and Deputy Leader Email: toby.morris@westoxon.gov.uk
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Summary/Purpose	To consider the proposal to apply council tax discounts for care leavers from 1 April 2020
Annexes	Annex A – Eligibility Criteria for Care Leaver Council Tax Discount Annex B – Memorandum of Understanding
Recommendations	<p>a) <i>That with effect from 1 April 2020 care leavers who meet the eligibility criteria specified in Annex A to this report shall be eligible to apply for a council tax discount until they reach the age of 21</i></p> <p>b) <i>That with effect from 1 April 2020 care leavers who meet the additional eligibility criteria specified in Annex A to this report shall be eligible to apply for a council tax discount between the age of 21 to 25 years</i></p> <p>c) <i>To authorise the Group Manager for Residency Services (Publica Group (Support) Limited) to award the specified discount; and</i></p> <p>d) <i>To incorporate the authorisation at (c) above into the Officer Delegations Rules in Part 4 of the Constitution</i></p> <p>e) <i>That Council be recommended to approve a), b), c) and d)</i></p>
Corporate priorities	
Key Decision	No
Exempt	No
Consultees/ Consultation	Portfolio Holder, S151 Officer, Head of Paid Service, Senior Management Team, Monitoring Officer, Oxfordshire CFO's. Group Manager

I. BACKGROUND

- 1.1.** At the meeting of the Council held 24 October 2018, the following motion was proposed by Councillor Rosa Bolger and seconded by Councillor Duncan Enright:

A 2016 report by The Children's Society found that when care leavers move into independent accommodation they begin to manage their own budget fully for the first time. The report showed that care leavers can find this extremely challenging and with no family to support them and insufficient financial education, are falling into debt and financial difficulty.

This council believes that to ensure that the transition from care to adult life is as smooth as possible, and to mitigate the chances of care leavers falling into debt as they begin to manage their own finances, they should be exempt from paying council tax until they are aged 25.

This council therefore resolves to exempt care leavers in the West Oxfordshire District from council tax until they reach the age of 25."

- 1.2.** The motion was considered by the Economic and Social and Finance and Management Overview and Scrutiny Committees, and then by Cabinet at its meeting on 12 December 2018, prior to further consideration by Council on 23 January 2019. At the January meeting, Council agreed in principle to a scheme, and requested (i) work to be carried out on the necessary data sharing agreement; (ii) seeking funding from the County Council and Thames Valley Police for their share of the cost; and (iii) that Cabinet make further recommendations in due course.
- 1.3.** Such agreements have now been made with the County Council and it will support the scheme by contributing its percentage of the precept. On behalf of all the districts in the county, the County Council have also approached Thames Valley Police on the possibility of the Police funding its share of the cost; who have now confirmed their contribution of its percentage of the precept.
- 1.4.** A number of councils have determined care leavers as a class under section 13A to award discounts or full exemptions to care leavers between the age of 18 and 21 years.
- 1.5.** The core principles for care leaver schemes adopted by other authorities are:-
- The Council or, in two tier areas, the relevant County Council, must have been the corporate parent
 - The care leaver must be liable for council tax and be resident in the billing authority area
 - Care leaver discounts are applied after all other available reductions
- 1.6.** For single tier authorities the process of identifying care leavers is simpler as the authority has responsibilities for care leavers and council tax administration. In some cases the team responsible for care leavers registers them with the council tax team. In Oxfordshire there would be a protocol in place to exchange the necessary information.

2. MAIN POINTS

- 2.1.** The Government made recommendations in its care leaver's strategy "Keeping 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 local authorities have since introduced discounts for care leavers, including our partner authorities, Cotswold District and The Forest of Dean District Councils.
- 2.2.** All young people setting up a home for the first time need particular support and guidance at this period of transition. Those who leave care often have little choice over accommodation options. While being supported by the County Council's leaving care service, care leavers are faced with a new set of often overwhelming responsibilities

without the wide-ranging family support that most other people rely upon. Once care leavers have a tenancy they can find it difficult to keep their independent accommodation for a myriad of reasons, including the demands made on their often limited income.

- 2.3. Evidence from the Children’s Society suggests that care leavers can be vulnerable to homelessness, particularly when they struggle to maintain tenancies. By granting the exemptions as detailed within Annex A from Council Tax the council will be providing real practical help to those leaving care who are starting out in life on low incomes, whilst they are working to develop budgeting and independent living skills.
- 2.4. The proposed scheme will reduce any Council Tax liability to nil for those care leavers eligible.
- 2.5. The proposal is to implement the scheme jointly with all Oxfordshire Councils from 1 April 2020.
- 2.6. Oxfordshire County Council, as the corporate parent, remains responsible for supporting care leavers to access Council Tax reductions that they may be eligible for.
- 2.7. West Oxfordshire District Council and its precept partners will accept their proportions of the financial liability in the same proportions as the Council Tax Support Scheme with exemptions to Parish precepts.

3. FINANCIAL IMPLICATIONS

- 3.1. Billing Authorities are required to fund any section 13A discounts in full; however, by way of a local voluntary agreement, the major precepting authorities will fund their share of the costs for the discounts.
- 3.2. The cost of awarding care leaver discounts based on any of the above recommendations would depend both on the number of care leavers liable for Council Tax and their meeting the eligibility criteria.
- 3.3. An indicative estimate of the financial implication of this policy is shown below based on 2018/2019 council tax data:

District	No. of care leavers	Council Tax post Council Tax discounts	County Liability	District Liability	Police	Town/ Parish
WODC	5	£709.81	£561.36	£37.98	£78.84	£31.63

- 3.4. These figures are based on the gross liability without any additional statutory discounts and/or exemptions which may also be applicable. It is also dependant on which band(s) of property potential qualifying cases will be resident in as to how much it might cost the District Council. The financial impact is however expected to be minimal.

4. LEGAL IMPLICATIONS

- 4.1. 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 taxpayers. This includes the power to reduce the amount payable to nil.

5. RISK ASSESSMENT

- 5.1. Failure to aware the eligible discount could lead to a potential reputational risk for the local authority.

6. EQUALITIES IMPACT

6.1. This proposal is not detrimental to any groups with protected characteristics

7. BACKGROUND PAPERS

7.1. None

Eligibility Criteria for Care Leave Council Tax Discounts

18 – 21 year olds:

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 this discount from the date of their 21st birthday.

The Care Leaver discretionary discount will be awarded after statutory discounts, exemptions; disability discount and local council tax support (CTS) have been applied. This will also include accounts where a care leaver is jointly and severally liable with others.

The discount for care leavers will ensure that any gap between their eligible discounts under the Councils Council Tax Support Scheme and the individual's liability for council tax will equate to 100% reduction, in all cases.

For the purpose of this document a Care Leaver is defined as a young person aged 18 – 21 who was formerly a child in the care of Oxfordshire County Council and then become a 'former relevant care leaver' 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 West Oxfordshire District Council area.

Where a Care Leaver lives in a House of Multiple Occupation (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 an Oxfordshire County Council Former Relevant Child must be received from the council's Leaving Care Team.

21 – 25 year olds:

In the interests of young adults gradually progressing to full independence from 21 to 25 years of age, care leavers will be means tested for CTS with no automatic discount applied additionally. However, where the individual's financial liability for council tax is judged to be unmanageable due to their specific circumstances and vulnerabilities, a written statement by their personal advisor or social worker from Oxfordshire County Council, with statutory responsibility, can be provided to justify the case for the S13A care leaver's discount to apply for the whole (or remainder) of that financial year.

The discount will be subject to an annual written statement and review, up to the individual's 25th birthday.

Application Process and Administration:

Oxfordshire County Council will provide information to confirm the name, address and date of birth of Care Leavers living in the West Oxfordshire District 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 Oxfordshire County Council.

An application should provide the following:

- 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 and/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 bills.

The billing authority 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 their billing authority 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, as amended.

COUNCIL TAX DISCOUNT FOR CARE LEAVERS

MEMORANDUM OF UNDERSTANDING AMONGST COUNCIL TAX BILLING AUTHORITIES AND THE MAJOR PRECEPTORS

1. Oxfordshire councils (being Oxfordshire County Council and the five Oxfordshire District Councils) understand that the transition out of care for young people can be very problematic. Without the support of a family and being inexperienced in managing their own finances, care leavers can be more susceptible to falling into debt. Therefore, each billing authority has agreed to give financial support to these young people by giving additional relief, on top of any other reliefs that may be available, to those leaving care by reducing their net liability for council tax to zero until age 21, and in certain circumstances until age 25, with effect from 1 April 2020.

2. This document sets out the process by which Oxfordshire's care leavers will be given council tax relief, and how the costs of such relief will be shared amongst council tax billing and the major precepting authorities in Oxfordshire.

3. Under Section 13A(1-3) of the Local Government Finance Act 1992 (as amended), a billing authority has the power to reduce liability for Council Tax in relation to individual cases or class(es) of cases that it may determine. Essentially, it says:

Where a person is liable to pay council tax in respect of any chargeable dwelling and 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.

4. This also allows for a further reduction where a reduction under a council tax reduction scheme has been applied.

5. The power under paragraph 3 above includes:

- the power to reduce an amount to nil
- that the power may be exercised in relation to particular cases or by determining a class of case in which liability is to be reduced to an extent provided by the determination.

6. There are financial implications for the billing authorities (being, in Oxfordshire, the five district councils) to awarding any discounts other than those currently available under the statutory legislation, and the financial burden of Section 13A discounts has to be met through an increase in the general level of council tax for other payers or from the general fund.

7. The major preceptors in Oxfordshire (Oxfordshire County Council, Thames Valley Police) also recognise:

- The granting of Section 13A discounts would reduce income from Council Tax
- Council Tax Reduction schemes exist to ensure that those on low incomes receive financial assistance with their Council Tax

8. In order to provide further support for care leavers, billing authorities will create a new class of council tax charge payer known as 'Care Leavers' and will reduce the council tax bill for Oxfordshire's Care Leavers to zero, after any other reliefs (including any council tax reduction under the authority's scheme) have been applied.

9. This policy will apply up to and including the date of the day before the care leaver's 21st birthday, and in certain circumstances as set out in the policy, may be applied up to and including the date of the day before the care leaver's 25th birthday.

10. Billing authorities will have the responsibility of undertaking appropriate checks on the eligibility of applicants for care leaver relief.

11. Reducing council tax in these circumstances will hereafter be known as an award of Care Leaver's Discount.

12. In recognition of the financial costs borne by billing authorities created by the policy and enabling mechanism described above, the Major Preceptors agree that they will reimburse an amount equivalent to their proportion of the reduction in council tax liability, as invoiced to them by each district on an annual basis. "Their proportion" means the percentage calculated as the preceptor's band D tax divided by the total band D tax (billing authorities plus major preceptors) for the authority and the year concerned.

13. Billing authorities will inform major preceptors periodically as to the amount of Care Leavers' Reduction awarded, and in particular where the volume of applications and awards is increasing significantly.

14. It is envisaged that this arrangement will continue on an ongoing basis. Where any party wishes to discontinue or change this arrangement it will endeavour to give other parties to this Memorandum of Understanding the maximum possible notice.