

**WEST OXFORDSHIRE DISTRICT COUNCIL**

**ECONOMIC AND SOCIAL OVERVIEW AND SCRUTINY COMMITTEE:**  
**THURSDAY 22 NOVEMBER 2018**

**FINANCE AND MANAGEMENT OVERVIEW AND SCRUTINY COMMITTEE:**  
**WEDNESDAY 28 NOVEMBER 2018**

**COUNCIL TAX EXEMPTION FOR CARE LEAVERS**

**REPORT OF THE GROUP MANAGER FOR CUSTOMER SERVICES**

**(Contact: Jon Dearing Tel: (01993) 861221)**

**1. PURPOSE**

To consider the motion proposed at the meeting of the Council held on 24 October and submit views to Council, via Cabinet.

**2. RECOMMENDATIONS**

- (a) That the Committee decides whether it wishes to recommend the Council, in principle, to agree that the Council should exercise its discretion under Section 13A (1) (c) (Local Government Finance Act 1992) to apply a new Care Leavers Council Tax Discount Scheme; and
- (b) That in the event of the Council agreeing the principle, it is recommended:
  - (i) To instruct officers to seek to enter into an appropriate data sharing agreement with Oxfordshire County Council to enable that authority to share information about care leavers residing in the District;
  - (ii) To request Oxfordshire County Council and Thames Valley Police to agree to fund their share of the cost of any discount scheme; and
  - (iii) To request subsequent recommendations from Cabinet as to the detail of a proposed scheme, taking into account both the options set out in this report and the as yet unknown financial implications.

**3. BACKGROUND**

- 3.1. 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.”*

- 3.2. The motion was referred to this Committee for consideration, and it is for the Committee to agree a view to submit back to Council for future consideration.

- 3.3. Billing Authorities have discretion under Section 13A of the Local Government Finance Act 1992 to reduce the council tax payable for individuals, or for classes of council taxpayer. This can be a percentage discount or a full exemption. Reductions made using these powers have to be funded by the Billing Authority. Voluntary agreements can be made with the County Council and Thames Valley Police for them to fund their share.
- 3.4. In the Government's care leavers' strategy, Keep on Caring, published in July 2016, councils were encouraged to consider the role of a Corporate Parent 'through the lens of what any reasonable parent does to give their child the best start in life'. In relation to this, local authorities are encouraged to consider exempting care leavers from Council Tax using powers already at their disposal. In August 2016, through their report into homelessness, the Communities and Local Government Select Committee recommended to Government that care leavers be made exempt from Council Tax up to at least the age of 21.
- 3.5. 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 25 years.
- 3.6. 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
- 3.7. 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 need to be a protocol in place to exchange the necessary information as there is currently no exchange of information, meaning that this council is unaware of care leavers in its area.

#### **4. ALTERNATIVES/OPTIONS**

##### **Full Exemption**

- 4.1. Care leavers who live alone and are solely liable to pay council tax in their own right would receive a full exemption leaving them no council tax to pay. This could be:
  - A full exemption from the age of 18 up to 21 or 25, or
  - A full exemption from 18 up to 21 then a lower level of discount (50%) until they become 25
- 4.2. The care leaver would have to continue to live alone and be liable to pay council tax for the whole period for an exemption to apply. The first option above offers the greatest level of support, but the second option could help the transition towards eventually having to pay the full amount.

##### **Discount**

- 4.3. Care leavers who live alone and are solely liable to pay council tax in their own right would receive a percentage discount (e.g. 25%, 50%, 80%) leaving them with some council tax to pay. This could:
  - Be the same level of discount from the age of 18 up to 21 or 25, or

- The discount percentage could reduce when they reach 21 then continue at a lower level until they reach 25 (e.g. 50% discount from 18 to 21; 25% discount until 25)
- 4.4. Where a care leaver lives in a household and is jointly liable for council with others a percentage discount could be offered which reflects their share of the bill. This could be:
- A full discount for their share of the bill (i.e. 50% discount if there were two people in the property) up to the age of 21 or 25
  - A percentage discount which equates to less than their share of the bill (e.g. 25% discount if two people in the property) up to the age of 21 or 25
- 4.5. The percentage level in either a) or b) could reduce to a lower level when they reach the age of 21 and continue until they reach 25.
- 4.6. No discount would apply where a care leaver has no responsibility for and is not liable to pay the council tax bill.

### **Other Options**

- 4.7. The Committee could choose to recommend Council to adopt the motion as proposed. It is considered, however, that there are detailed points which need to be addressed before a final decision is made, as referenced above.
- 4.8. The Committee could determine to utilise the Council Tax Reduction Scheme (a means tested scheme) to determine the level of discount awarded to care leavers to avoid inequity between care leavers and other groups. (A revised scheme is currently out to consultation which would potentially take the lowest earners out of Council Tax altogether).
- 4.9. The Committee could decide to recommend that the motion is not approved.

## **5. FINANCIAL IMPLICATIONS**

- 5.1. Billing Authorities are required to fund any section 13A discounts in full. It may be possible to have local agreements with the County Council and possibly Thames Valley Police for them to contribute to their share of discounts. The recommendation at 2(ii) above refers to this.
- 5.2. The cost of awarding care leaver reductions based on any of the above options would depend both on the number of care leavers liable for council tax and their circumstances in any financial year. At this stage the Council has no data on how many care leavers might be expected.

## **6. REASONS**

This report has been prepared to seek to identify matters which need to be considered in reaching a decision on the proposal made at the Council meeting on 24 October 2018.

## **7. NEXT STEPS**

- 7.1. The Council will not consider the motion and the views of the Overview and Scrutiny Committees and Cabinet until its meeting scheduled for 23 January 2019. Accordingly it is intended that, should there be a positive recommendation on the possibility of a discount scheme, officers will carry out further work on the matters referred to in the recommendations at 2(b) above.

- 7.2. The report to Cabinet for consideration at its meeting on 12 December will include information as to the views of the two Overview and Scrutiny Committees
- 7.3. Obviously, the intended further work would be on the basis of the possible introduction of a scheme as opposed to a definitive decision to do so, and would hopefully mean that any further report would not be unduly delayed.
- 7.4. Any scheme will have to be approved by Council, meaning that all councillors will have the opportunity to participate should they wish.

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Background Papers:

None