

North East Derbyshire District Council

Council

21 January 2019

Council Tax Discount for Care Leavers

Report of Councillor P R Kerry, Portfolio Holder for Finance

This report is public

Purpose of the Report

To seek Council approval for a local council tax discount for Derbyshire Care Leavers until they reach the age of 25.

1 Report Details

- 1.1 The Leader of the Council has received a letter from Derbyshire County Council that asks the District Council to introduce an exemption so that Derbyshire Care Leavers under the age of 25 would not have to pay council tax. The letter says that if care leavers under the age of 25 did not have to pay council tax, this would give these young people a few valuable years to learn how to manage their finances and have a better chance of avoiding the problem of debt in the future.
- 1.2 Section 13A of the Local Government Finance Act 1992 (as amended by Section 10 of the Local Government Act 2012) allows the Council (in its capacity as billing authority) to reduce the amount of Council Tax payable to such extent as it thinks fit. This includes the power to reduce the council tax to nil.
- 1.3 There is a financial implication to awarding reliefs under Section 13A (1) (c) as the Council has to finance all such reliefs from its own funds. Therefore awards must meet the underlying principle of offering value for money to Council Tax payers. The County Council estimates that the cost of the scheme for North East Derbyshire District Council would be around £3,700 per annum. As this can only be introduced as a local council tax discount, the cost is not shared with other preceptors and all the cost falls to North East Derbyshire District Council. Derbyshire County Council has not made an offer to reimburse the cost of the discount or administration.
- 1.4 If Members wish to award such an exemption for care leavers living within the District, this could be achieved by introducing a new council tax discount. It is recommended that the discount should be introduced from 1 April 2019. The method by which this would be applied is as follows:-

- i) A care leaver is defined as a young person aged 18 to 25 who was formerly a child in the care of Derbyshire County Council and who then became a 'care leaver' as defined by The Children (Leaving Care) Act 2000 and is liable for Council Tax on a dwelling within the North East Derbyshire District Council area. No reduction will be made for care leavers of other authorities living within the area.
- ii) Applications must be made by the Leaving Care Team, or equivalent, for and on behalf of the care leaver previously registered with Derbyshire County Council in the financial year immediately preceding their 18th birthday.
- iii) Applications may be backdated to 1 April in the year of application if the 18th birthday fell in the previous year.
- iv) Council Tax Discount will be awarded on a single property occupied as the sole or main residence in the District Council's area, from the date of the care leaver's 18th birthday until the day immediately preceding their 25th birthday, as follows:
 - a. Sole occupation by a care leaver of 100% of residual balance of Council Tax payable after the award of any other discount relief or exemption.
 - b. Where a care leaver is jointly liable a proportionate award will be made according to their individual circumstances, e.g. if there's one other occupier then a 50% discount will apply.
 - c. Where the care leaver is not liable for Council Tax no discount will apply.
- v) Discounts will be subject to annual review of eligibility which will include financial circumstances.
- vi) The Scheme may be varied or terminated on 12 months' notice on a decision by the Council. (We are intending to keep the Scheme under review as regards cost and administration).

- 1.5 The proposed scheme is in addition to the Council's current Local Council Tax Support Scheme (CTS scheme) and will provide assistance to people living within the District that have previously been in care and meet the appropriate qualifying criteria. The proposed Care Leave Reduction Scheme will only be applied after all other relevant discounts and exemptions have been applied. It is anticipated that some care leavers will already be receiving assistance through the Council's CTS Scheme, which grants a reduction to council tax payers based on an assessment of their means to pay. Where the qualifying criteria is met and all discounts and exemptions, including CTS, do not cover the full Council Tax charge, then under this scheme the qualifying care leaver will receive further assistance to cover 100% of their council tax charge.

2 Conclusions and Reasons for Recommendation

- 2.1 To ensure that Care Leavers are provided with the necessary financial support that will facilitate and sustain positive outcomes and the best possible transition into independent adulthood.

3 Consultation and Equality Impact

- 3.1 The proposal seeks to address any disadvantage experienced by Care Leavers in apprenticeships or low income employment.

4 Alternative Options and Reasons for Rejection

- 4.1 Alternative options would be to reject the request of Derbyshire County Council and not offer a discount to Care Leavers or to offer a smaller contribution to Council Tax but this would be difficult to manage and not considered to be viable.

5 Implications

5.1 Finance and Risk Implications

- 5.1.1 Financial implications are considered throughout the report.
- 5.1.2 The proposal seeks to reduce the risk of future poverty and deprivation. Increased financial resilience will increase personal resilience and reduce demand for future services.

5.2 Legal Implications including Data Protection

- 5.2.1 Section 13A of the Local Government Finance Act 1992 (as amended by Section 10 of the Local Government Act 2012) allows the Council (in its capacity as billing authority) to reduce the amount of Council Tax payable to such extent as it thinks fit. This includes the power to reduce the council tax to nil.

5.3 Human Resources Implications

- 5.3.1 There are no Human Resources implications arising directly from this report.

6 Recommendations

- 6.1 That Members approve a local council tax discount for care leavers under the age of 25, as set out in the report, to be introduced from 1 April 2019.

7 Decision Information

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: BDC: Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input type="checkbox"/> NEDDC: Revenue - £100,000 <input type="checkbox"/> Capital - £250,000 <input type="checkbox"/> <input checked="" type="checkbox"/> Please indicate which threshold applies	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
Has the relevant Portfolio Holder been informed	Yes
District Wards Affected	All indirectly
Links to Corporate Plan priorities or Policy Framework	All indirectly

8 Document Information

Appendix No	Title	
None		
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)		
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