

WEST NORTHAMPTONSHIRE COUNCIL

14 November 2023

Portfolio Holder for Finance – Councillor Malcolm Longley

Report Title	Council Tax Care Leavers Discount
Report Author	Martin Henry, Executive, Finance

List of Approvers

Monitoring Officer	Catherine Whitehead	26/10/2023
Chief Finance Officer (S.151)	Martin Henry	13/10/2203
Communications Lead/Head of Communications	Becky Hutson	26/10/2023

List of Appendices

Appendix A - S13A Policy

1. Purpose of Report

- 1.1 This report provides members with an overview of the support currently in place for Care Leavers residing in West Northamptonshire who have a Council Tax liability and outlines a proposal to introduce an automatic discount for persons aged 18 to 21 who are leaving care.

2. Executive Summary

- 2.1 West Northamptonshire Council (WNC) understands that the transition out of care for young people can be very challenging particularly when moving into independent accommodation and the requirement to manage their own finances and manage their money for the first time. This report proposes a discretionary Council Tax discount for Care Leavers aged 18-21 from April 2024
- 2.2 S13A (1) (c) of the Local Government Finance Act 1992 (as amended) gives billing authorities the discretion to reduce the amount of Council Tax payable in relation to individuals or for classes of

taxpayers. This provision is separate to and distinct from the Local Council Tax Reduction Scheme which is made under Section 13A(1)(a) of the Local Government Finance Act 1992.

- 2.3 The support currently in place from WNC for Care Leavers is Council Tax Reduction, which is means tested and awarded after statutory discounts, exemptions, disability discount. It is also subject to an application process.
- 2.4 Members are asked to consider the content of this report and to approve the proposal to implement the proposed Care Leavers scheme for 2024/25 using discretionary powers under Section 13a of the Local Government Finance Act 1992.

3. Recommendations

- 3.1 It is recommended that the meeting:
 - a) Note the contents of this report.
 - b) Recommend to Council the implementation of the proposed Care Leavers discount for 2024/25 and the policy shown at Appendix A of this report.

4. Reason for Recommendations

- 4.1 West Northamptonshire Council recognises the vulnerability of people leaving care and its role as the corporate parent. The recommended approach ensures that all eligible care leavers receive the support they are entitled to.

5. Report Background

- 5.1 The term “care leaver” is defined in the Children (Care Leavers) Act 2000 and refers to eligible, relevant, and former relevant children.
- 5.2 In its Care Leavers strategy published in 2016, the Government made recommendations that local authorities should consider exempting care leavers from Council Tax, using their powers under Section 13a of the Local Government Finance Act 1992.
- 5.3 The Council recognises that young people leaving care may find the transition of moving into independent accommodation and managing their finances challenging. As a result, young people leaving care could easily find themselves in financial difficulties.
- 5.4 Section 13a (1)a of the Local Government Finance Act 1992 allows the Council to reduce the amount of Council tax a person must pay. This includes the power to reduce the amount to nil.

6. Issues and Choices

Current Support

- 6.1 Under the Local Council Tax Reduction Scheme West Northamptonshire Council’s Care Leavers can receive help with up to 100% of their Council Tax liability. However, the scheme is means tested based on the income of the household and the current scheme also relies on care leavers making an application and providing all the required verification to support the claim, this doesn’t

always happen, and Care Leavers do not get the support they are therefore potentially entitled to.

Proposed Change

- 6.2 The proposal is to award a local discount directly to the Council Tax account of Care Leavers aged 18-21 after any other discounts and exemptions have been applied and proportionate to the number of residents liable for Council Tax in the property. For example, a Care leaver sharing with 3 other people would receive a 25% discount. The discount will apply until the Care Leaver turns 21. From this date no discount will apply but the Care Leaver can apply for Council Tax Reduction so preventing that 'cliff edge' at 21.
- 6.3 Assistance will only be provided to young people leaving care in North and West Northamptonshire and residing within the West Northamptonshire Council area.

The benefits of introducing this policy include:

- bringing the Council in line with other Councils who already offer the discount
- It removes the need for the Care Leaver to apply for Local Council Tax Reduction
- It reduces the risk of Care Leavers not applying for support and recovery process taking place
- There are potential efficiencies for the Benefits and Council Tax teams.
- It offers greater care and support for a vulnerable group

The proposed policy asks that the Care Leavers team notify the Council Tax team in writing of any person leaving care and the discount can then be applied.

- 6.4 The Council shall operate the proposed scheme as follows:

Part 1

This applies to the following:

- (a) Care leavers who are sole occupants of a dwelling and who have liability for Council Tax; or
- (b) Dwellings that are solely occupied by care leavers, where one or more of the residents are liable for Council Tax.

Part 2

This part applies to the following:

- (a) Care leavers who are jointly and severally liable with one or more other liable person (s) who is/are not a care leaver.

A reduction in liability will only be applied after the entitlement to other national discounts or reductions have been applied and will only apply to Council Tax liabilities within the West Northamptonshire area.

Reductions for care leavers falling into Part 1 of this scheme.

The Council, under the policy, will reduce the amount of Council Tax payable to nil, after the application of all other discounts or reductions, where a Care Leaver, as defined in the policy, is

solely liable for Council Tax, and any other adult residents in the dwelling also meet the definition of Care Leaver as defined within the policy.

Reductions for care leavers falling into Part 2 of this scheme.

The Council, under this policy will reduce the amount of Council Tax payable, by applying a proportionate reduction , after the application of all other discounts and reductions, dependent upon the number of care leaver and non care leavers in the property that are jointly liable for Council Tax.

For example, if a household had four people residing in it that were jointly liable for council tax and one of those people was a care leaver, the Council Tax bill for the property would be reduced by 25% to reflect the care leaver discount.

7. Implications (including financial implications)

Resources and Financial

- 7.1 There is a cost to the Council in respect of Council Tax discretionary discount awards and this is met by the Council's general fund. The estimated cost of the proposal for 2024-25 is £35,388 These costs are based on Care Leavers residing within West Northamptonshire on 30 May 2023 who are liable for Council Tax. The cost of the scheme has been offset by a reduction in the cost of Council Tax Reduction payable to those Care Leavers, so in overall terms should be cost neutral to the Council. It should be noted that these costs are based on data provided by the Care Leavers team and may be subject to change as the number of care leavers change.
- 7.2 The automatic application of a care leavers discount should also free up some resource which can be used to improve overall council tax collection rates which would be of financial benefit to the council.

Legal

- 7.3 Section 13a (1) c of the Local Government Finance Act 1992, the Council has the power to reduce the amount of Council Tax a person must pay. This includes the power to reduce the amount to nil.

- 7.4 **Risk**
No risks identified

- 7.5 **Consultation and Communications**
Consultation has taken place with the Care Leavers team in the writing of this report. Subject to the outcomes at Council, communications activities will be undertaken to raise wider awareness of the discount and encourage take-up among care leavers.

- 7.6 **Consideration by Overview and Scrutiny**
This proposal has not been considered by Overview and Scrutiny Committee at this stage.

7.7 Climate Impact

No specific impacts have been identified

7.8 Community Impact

No specific impacts have been identified. An equality impact assessment has been carried out for the scheme for 2024-2025. This proposal has a beneficial impact on those residents with protected characteristics.

8. Background Papers

8.1 None