

Council Tax Discounts for Care Leavers – Detailed Report

1. Introduction

- 1.1. A Notice of Motion submitted by Councillor Glynog Davies at Council on 10th January 2018, proposing that “***all care leavers should be exempt from council tax up to the age of 21 (with the discretion of extending the age up to 25 in exceptional circumstances)***” was unanimously approved by Members.
- 1.2. The Council seeks to support young people that have left its care in order that they may live independently as adults. Providing Council Tax discretionary discounts which waives any Council Tax liability faced by care leavers and therefore ensures the care leaver does not face potential Council Tax debt, will support this objective. This report offers Members options with regard to the adoption of a scheme to provide such relief.
- 1.3. Under the provisions of Section 13a of the Local Government Act 1992, the Authority has the discretionary power to reduce the amount which a council tax-payer is liable, to such extent as it thinks fit. The power may be exercised in relation to particular cases or by determining a class of case in which liability is to be reduced. This provision may therefore be used to apply a policy for waiving the Council Tax liability of Care Leavers (and in certain circumstances, reducing the Council Tax payable by the householder where the Care Leaver is residing with a third party).

2. Care Leavers Liable to Pay Council Tax

- 2.1. According to data provided by the Council’s Department for Education and Children, there are currently some 82 care leavers aged 18 to 24 inclusive, living in Carmarthenshire and for whom the Council had corporate parenting responsibilities.
- 2.2. It should be noted that at present there are only 7 care leavers aged over 21 still engaged with the Corporate Parenting service, all of whom are 22 years of age. (Above the age of 21 on-going engagement is “optional”)
- 2.3. Of these, only 12 are care leavers are currently liable to pay an element of Council Tax. The remainder are either in receipt of full Council Tax Reduction (Benefit), are otherwise exempt, or are living in accommodation where they are not personally responsible for the Council Tax bill. E.g.
 - Foster Care / When I’m Ready (CC provision)
 - Family or living with others who are already paying council tax
 - Mental Health provision
 - In Custody

2.4. This is only a snapshot and the figures may change from day to day, however it does give an indication as to the likely volumes involved and confirms that the potential cost, i.e. lost income, will be minimal.

2.5. In addition there may be a very small number of Care Leavers that have moved into the county but a different authority had corporate parenting responsibility at the point at which they left care. Carmarthenshire's corporate parenting service will not have any record of these cases making identification difficult.

3. Proposed Council Tax Discount Scheme for Care Leavers

3.1. It is proposed that the following discount scheme will initially operate for the period 1st April 2018 to 31st March 2019 but will be monitored and reviewed during that period to assess its suitability and effectiveness.

3.2. The **Council Tax Discount Scheme for Care Leavers** will be administered by the Council Tax Section of the Revenues and Financial Compliance Division which will work with colleagues in Children's Services to develop processes for the appropriate exchange of data and the "registering" of care leavers for this discount, to make the awarding of the discount as seamless as possible.

3.3. The discount will be granted to care leavers aged from 18 up to 25 i.e. up to their 25th birthday, and for whom the Council had corporate parenting responsibility at the point at which they left care.

3.4. The amount of discount will be the care leaver's Council Tax liability, net of any discounts or other reductions and will also include any joint and several liability [i.e. where the care leaver is living with another person or persons, and they are both/all responsible for the bill] This means that a non-Care Leaver may also benefit but it ensures that the care leaver has no liability or potential for debt.

3.5. The relief will be granted automatically i.e. it will not be means tested and will apply for any period during which the care leaver resides in Carmarthenshire up to the date they reach the age of 25.

3.6. Where a care leaver is not personally liable to pay Council Tax but the householder would attract the 25% Sole Occupier Discount were the care leaver not residing at the property, the care leaver will be disregarded when counting the number of residents and a 25% discretionary discount applied.

3.7. Where a Care Leaver has moved into the county and is personally liable to pay Council Tax, but a different authority had corporate parenting responsibility at the point at which they left care, the decision on whether to grant a discount and if so, the level of reduction, will be made by the Executive Board Member for Resources, based upon the individual circumstances and by means of application.

4. Potential Cost

- 4.1. Although it is difficult to make a precise calculation of the cost of the proposed scheme as specified in paragraphs 3.1 to 3.5 above, on the basis of the numbers outlined in paragraph (2) above, it is estimated that the cost would not exceed £6k p.a.
- 4.2. A broad assessment of the potential number of cases that would arise under paragraph 3.6 would suggest there would be very few instances, with the cost of the relief unlikely to exceed say, £2k.
- 4.3. As the Council does not have any data in relation to Care Leavers that have moved into the county with a different Authority having had corporate parenting responsibility, it is not possible to estimate the potential cost of including that option 3.7, but it is likely to be insignificant.
- 4.4. The Council will bear the full cost of the scheme which can be met from the allowance for losses which is built into the annual Tax Base calculation.

5. Recommendation

- 5.1. It is recommended that the **Council Tax Discount Scheme for Care Leavers** detailed in Section 3 above, be adopted for the financial year 2018/19.