

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2018-19

**CHILDREN AND YOUNG PEOPLE SCRUTINY
COMMITTEE**

**AGENDA ITEM NO 2.
COUNCIL TAX DISCRETIONARY
RELIEF – CARE LEAVERS**

13th MARCH 2019

REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES

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1. PURPOSE OF THE REPORT

- 1.1 To update Members on the use of the Council's Discretionary Council Tax Relief Scheme for Care Leavers during 2018/19 and to provide an update on the recent Welsh Government announcement in relation to Council Tax support for Care Leavers from 1st April 2019.

2. RECOMMENDATION

It is recommended that Members:

- 2.1 Note the work undertaken to enable qualifying young people to access the Council's Discretionary Council Tax Relief Scheme for Care Leavers in 2018/19.
- 2.2 Scrutinise the extent of progress made during 2018/19 and determine whether there are areas that require further attention.
- 2.3 Note the announcement by Welsh Government of new regulations, effective from 1st April 2019, to exempt care leavers under 25 years old from paying council tax.

3. BACKGROUND INFORMATION

- 3.1 In December 2017 Cabinet approved a scheme to provide financial support to Care Leavers up to the date of their 25th birthday by making use of the Council's Discretionary Powers under Section 13A of the Local Government Finance Act 1992.
- 3.2 The scheme, known as the Council Tax Care Leavers Discretionary Relief Policy, enables the Council to reduce to zero, the Council Tax bill of any care leaver that the Council has corporate parenting responsibility for, where they have a liability to pay council tax.
- 3.3 The aim of the scheme is to provide Care Leavers with a period of financial support in order to allow them to adjust to living independently and managing their own household bills and finances for the first time, in many instances. It was estimated that the scheme would cost the Council approximately £10,000.
- 3.4 The scheme can be found here:

<https://www.rctcbc.gov.uk/EN/Resident/CouncilTax/Relateddocuments/CarerLeavers/CouncilTaxDiscretionaryReliefPolicy2018.PDF>.
- 3.5 As part of Cabinet approving the scheme in December 2017, a commitment was made for a specific update to be provided to the Children and Young People Scrutiny Committee and also the Corporate Parenting Board at the end of the 2018/19 financial year.

4. COUNCIL TAX DISCRETIONARY RELIEF POLICY – CARE LEAVERS

- 4.1 Following the scheme approval, work began to identify the young people who would benefit from the scheme. Officers from Council Tax and Children's Services worked together to cross reference these young people with the Council Tax records and prepare a list of Care Leavers who would be supported to claim the relief.
- 4.2 A specific application form was designed by Council Tax officers and case workers from Children's Services met with each young person to ensure all relevant and up to date information was captured.
- 4.3 Following this, Council Tax officers determined whether the young person was firstly entitled to any other support (i.e. Council Tax Reduction Scheme (CTR), Single Person Discount or Student Exemption) before applying the Care Leaver Relief (that would then reduce the Council Tax bill to zero).
- 4.4 The outcome of the exercise was that of the 165 young people in the Council's care, 42, or 25% were identified as being eligible to a range of reliefs, so that no young person was liable to pay council tax during 2018/19. The remaining 123 young people were not deemed eligible due to their circumstances e.g. living with a person that was liable to pay council tax. A summary position statement is set out in Table 1.

Table 1 – Qualifying Care Leavers

Outcome	No. Cases
Already Receiving 100% CTR	24
Awarded Council Tax Care Leaver Relief (i.e. were liable to pay Council Tax but were not receiving any CTR)	17
Student – exempt from Council Tax	1
	42

- 4.5 The level of financial support provided through the scheme in 2018/19 varied according to the individual circumstances of each case. The range of support has been from the highest award of £1,300 to the lowest of £65 but as noted above, in all cases, each council tax bill for the financial year 2018/19 was reduced to nil. In total, the scheme cost the Council £11,000 in 2018/19.

5. CARE LEAVERS – FUTURE PLANS

- 5.1 On [13th February 2019](#), the Welsh Government Finance Minister, Rebecca Evans, announced that it intended to take forward regulations to exempt care leavers under the age of 25 from paying council tax.
- 5.2 The regulations, which will come into effect from 1st April 2019, will mean that there will be no requirement for Councils to use their Discretionary Powers under Section 13A of the Local Government Finance Act 1992.
- 5.3 Care Leavers will have to make an application for the exemption under the new regulations but there will no requirement for the Council to consider whether entitlement to any other support or discounts exists first before allowing the exemption e.g. the Care Leaver will not be required to make an application for CTR.
- 5.4 In line with the above, following official notification from Welsh Government that the regulations are effective, the Council's Discretionary Relief Policy will be amended accordingly. In addition, preparatory work is underway to ensure all qualifying young people are able to take advantage of the exemption (and are supported to do this) and that arrangements are in place to monitor and action changes timely (e.g. new care leavers and changes in circumstances).

6. EQUALITY AND DIVERSITY IMPLICATIONS

- 6.1 There are no equality and diversity implications to consider.

7. CONSULTATION

- 7.1 Welsh Government have conducted a consultation exercise on their proposed plans to legislate in this area.

8. FINANCIAL IMPLICATION(S)

- 8.1 The financial implications for the current financial year (2018/19) is set out in Section 4 of the report and the financial implications of exemptions made in line with the new Welsh Government regulations, effective from 1st April 2019, will be subsequently reflected in the Council Tax Base calculation i.e. the amount of income the Council will raise through council tax.

9. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 9.1 The Discretionary Policy operated by the Council during 2018/19 has been in accordance with Section 13A Local Government Finance Act 1992.
- 9.2 From 1st April 2019, decisions made in relation to Council Tax and Care Leavers will be in accordance with the new Welsh Government regulations.

10. LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT

- 10.1 The continued provision of relief to care leavers supports the Council's Corporate Plan priority 'People – promoting independence and positive lives for everyone' and is aligned to the Well-Being of Future Generations Act well-being goal of 'a more equal Wales' that aims to enable people to fulfil their potential no matter what their background or circumstances.

11. CONCLUSION

- 11.1 In December 2017 the Council committed to extending its Corporate Parenting Responsibility to Care Leavers where they had a responsibility to pay council tax in order to assist those young people's transition into independent living.
- 11.2 In line with this commitment, the Council has successfully made use of its discretionary powers during 2018/19 to support care leavers.
- 11.3 The existing scheme will now be replaced with new Welsh Government regulations that will ensure all Care Leavers across Wales receive the same level of support in relation to council tax. Following official notification of this change, the Council has arrangements in place for the regulations to be applied from 1st April 2019.

LOCAL GOVERNMENT ACT, 1972

as amended by

THE ACCESS TO INFORMATION ACT, 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

LIST OF BACKGROUND PAPERS

CHILDREN AND YOUNG PEOPLE SCRUTINY COMMITTEE

13th MARCH 2019

Report of the Director of Finance and Digital Services

Author:

Item 3 – Council Tax Discretionary Relief – Care Leavers

Background Papers

- Cabinet Report (19th December 2017) – **Council Tax Discretionary Relief – Care Leavers**