

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

19th DECEMBER 2017

COUNCIL TAX DISCRETIONARY RELIEF – CARE LEAVERS

REPORT OF THE GROUP DIRECTOR, CORPORATE & FRONTLINE SERVICES IN DISCUSSION WITH THE LEADER OF THE COUNCIL, COUNCILLOR A MORGAN.

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1. PURPOSE OF THE REPORT

- 1.1. This report provides Members with information on an opportunity that it may wish to consider in respect of Council Tax Discretionary Relief for Care Leavers, as part of proactively discharging its duty as a Corporate Parent in effecting and supporting Care Leavers (aged 18 – 25).

2. RECOMMENDATIONS

- 2.1 It is recommended that Members: -

(a) As part of the ongoing support to care leavers in its role as Corporate Parent, to exercise its discretionary powers to award a 100% Discretionary Council Tax Relief to Care Leavers aged 18-25, residing in the County Borough, based on the principles set out in this report, from 1st April 2018.

(b) Give delegated authority to the Council's S151 Officer to amend the Council's Council Tax Discretionary Relief Policy, to include the above, as appropriate.

3. BACKGROUND

- 3.1. Recent reports and campaigns, most notably the Children's Society campaign, have identified a range of disadvantages care leavers uniquely experience and their vulnerability in respect of council tax debt.
- 3.2. The Council agrees with the campaign's principal sentiments that young people's transition out of care and into adulthood is extremely difficult and that managing money for the first time without support from family leaves care leavers at real risk of falling into debt.

- 3.3. The Council has a responsibility as a Corporate Parent to support young people in its care. Corporate parenting is a statutory function of the Council. The underlying principle is that every local authority will seek the same outcomes for young people in care that every good parent would want for their own children.
- 3.4. The Council accepts its role as a responsible corporate parent and seeks to further support those young people who have left care to be able to live independently as adults. One action that could be taken is to provide Council Tax discretionary relief for care leavers. The proposed scheme would reduce to zero the amount of council tax a care leaver pays so that council tax due to this Council (and precepting authorities) should not become a problem debt for them.

4. PRINCIPLES OF THE PROPOSED CARE LEAVERS RELIEF SCHEME

- 4.1. Under Section 13A of the Local Government Finance Act 1992, the Council has a general discretionary power to reduce liability for Council Tax in relation to individual cases or class(es) of cases that it may determine where national discounts and exemptions cannot be applied. The Council has adopted a policy with regards to its powers under Section 13A of the Local Government Finance Act 1992 known as the 'Council Tax Discretionary Relief Policy'.
- 4.2. This relief must be awarded by the Council in accordance with the discretionary Council Tax reduction powers as contained within the Local Government Finance Act 1992.
- 4.3. The principles of the proposed Care Leavers Relief scheme are as follows:
 - The young person is a 'care leaver' and is between the ages of 18 and 25 and is not exempt on any other basis;
 - Where a RCT 'care leaver' moves out of the Council's area the discount can be reclaimed should they return before their 25th birthday.
- 4.4. The relief will operate as follows:
 - The relief will apply to residents for whom RCT Council held corporate parenting responsibility at the point at which the young person left care;
 - The 'care leaver' resides and is liable to pay council tax in RCT;
 - The level of discount applied will be 100% of residual council tax liability after taking account of any other discounts/exemptions and Council Tax Reduction (CTR) to which the resident may be entitled;
 - Where a 'care leaver' is jointly liable or resides with other council tax payers, the relief will be applied to the household and so non care leavers may benefit as a consequence;

- The relief would be awarded against any council tax liability arising from 1st April 2018 and the Council will have discretion to backdate future awards to 1st April 2018;
- The relief will not be means tested or responsive to the individual circumstances of the 'care leaver' if they are between the ages of 18 to 25;

4.5. "Care Leavers Council Tax Relief" will be available from the start of the 2018/19 financial year. It should be noted that the Council will not be reimbursed by Welsh Government for the income foregone.

4.6. The scheme will be administered by the Council's Finance Division who will work with colleagues in Community Services to develop processes that will make it as easy as possible for care leavers to access this relief. For young people in the County Borough leaving care, the process should be seamless and invisible, with Children's Services automatically registering care leavers with the Finance Division for the relief. For those living in RCT but leaving another council's care, we will attempt to make the application process for the relief as simple as possible to maximise take-up.

5 **EQUALITY AND DIVERSITY IMPLICATIONS**

5.1 There will be a positive equality impact for Young People and Care Leavers if this provision is implemented.

6 **CONSULTATION**

6.1 No consultation is required to implement this proposal. It is proposed that a review is undertaken to assess the impact and effectiveness of the scheme at the end of financial year 2018/19. This will be shared with the Children and Young People Scrutiny Committee and the Corporate Parenting Board.

7 **FINANCIAL IMPLICATION(S)**

7.1 As at December 2017 there were 149 care leavers aged between 18 and 25 of which 107 reside in RCT. Approximately 40 of these care leavers were liable to pay council tax. The expected cost of providing the discount is approximately £10,000 per annum, after taking account of other discounts and exemptions which might apply.

7.2 The cost of the scheme would be borne entirely by the Council and would not impact on revenue for precepting bodies. The financial implications of the scheme will be built into the 2018/19 budget setting requirements.

8 **LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

- 8.1 Under Section 13A of the Local Government Finance Act 1992 the Council has the power to reduce liability for Council Tax in relation to particular cases or by determining class(es) of cases that it may determine and where national discounts and exemptions cannot be applied.

9 **LINKS TO THE COUNCIL'S CORPORATE PLAN**

- 9.1 Supports the following Council priority:

PEOPLE - Promoting independence and positive lives for everyone

10 **CONCLUSION**

- 10.1 The agreement of this policy change will help to complement our responsibilities as a corporate parent and will provide much needed financial support for care leavers to move into and sustain independent living.
- 10.2 If the proposal presented in this report is agreed by Cabinet then the Council's Council Tax Discretionary Relief Policy will need to be amended to reflect this. It is proposed the Council's S151 Officer be given delegated authority to achieve this.