

**COUNCIL TAX DISCRETIONARY RELIEF FOR CARE LEAVERS**

**FINANCE, MODERNISATION AND PERFORMANCE (COUNCILLOR  
CHRIS WEAVER)**

**AGENDA ITEM: 6**

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**CORPORATE DIRECTOR RESOURCES**

**Reason for this Report**

1. Cardiff Council on the 30<sup>th</sup> November 2017 considered a motion to exempt Care Leavers from Council Tax. The motion was passed and the Council resolved to:
2. To take a report to the next Cabinet meeting exploring measures to use the City Council's convening powers and expertise in corporate parenting to work with all council tax collecting authorities to exempt all care leavers in the county from council tax, sharing any arising costs proportionately.
3. This report considers the approach that is taken to provide care leavers with financial assistance towards any council tax liability that they may have.

**Background**

4. Corporate parenting is a statutory function of the Council. The underlying principle is that every local authority will seek the same outcomes for children and young people in care that every good parent would want for their own children.
5. Children and young people who are looked after by the local authority rather than their parents are amongst the most vulnerable groups in our community. Outcomes for this group are generally poor and, as corporate parents, the Council has the responsibility to keep them safe, make sure their experiences in care are positive and improve their on-going life chances.
6. A 2015 report by The Children's Society (The Wolf at the Door. How council tax debt collection is harming children) suggests that care leavers are a particularly vulnerable group for council tax debt. It found that when care leavers move into independent accommodation and they begin to manage their own budget fully for the first time that this is challenging time for care leavers, particularly if they are falling behind on their council tax. The Children's Society report made a number of recommendations, including

making care leavers eligible for council tax discount. This would help to relieve some of the initial pressure and would sit alongside a number of other financial support arrangements available to care leavers.

7. Under Section 13A (1)(c) of the Local Government Finance Act 1992 (as inserted by Section 76 of the Local Government Act 2003), the Council has the power to reduce liability for council tax in relation to individual cases or class(es) of cases that it may determine.
8. On 3<sup>rd</sup> December 2015 the Cabinet approved a Council Tax Discretionary Relief Policy (copy attached at Appendix 1) to ensure consistency of application of powers under the Act. The policy stipulates that through delegated powers the Revenues Services Manager will consider all applications received and that any appeals will be reviewed by the Corporate Director Resources.
9. The legislation also allows for the discretionary reduction to be awarded to groups or classes of individuals if so determined. If a separate class is determined a formal application for the reduction may not always be made or required. Where a decision is made to award discretionary reduction to a class/group of individuals then this decision would need to be taken formally by the Cabinet.

## **Issues**

10. There is currently no specific exemption class for care leavers in Council Tax legislation. Consequently the only way to achieve an exemption for liable care leavers is to grant a discretionary discount under section 13a (1) (c). The Scottish Government have indicated that they plan to introduce a specific exemption class for care leavers in Scotland. This approach should be commended and Welsh Government should be lobbied to introduce a similar approach in Wales.
11. The discretionary reduction can either be considered on a case by case basis under the existing scheme that has been adopted or the Cabinet can decide to create a new class of discount to apply to care leavers as a group. Under each option the cost is borne by the Council Tax payers in Cardiff.
12. It is anticipated that the actual number of individuals that will qualify is relatively small and currently 12 individuals have been identified who would be eligible. This is because a large number of care leavers live in supported accommodation or houses in multiple occupation and therefore are not personally liable for Council Tax. These cases could be considered under the existing scheme that is in place.
13. If a Cabinet decision is made to award a discretionary reduction to all care leavers then the existing policy will need to be amended and updated with specific details regarding eligibility criteria for care leavers inserted. This will need to specify the treatment in cases of joint and several liability and the level of discount to be granted in such cases.

## **Reason for Recommendations**

14. In accordance with the Council motion of 30<sup>th</sup> November 2017 to create a separate exemption class for Care Leavers under the provisions of section 13A (1)(c) Local Government Finance Act 1992.

## **Financial Implications**

15. The cost of awarding Section 13A (1)(c) discounts has to be funded from within the total income generated by council tax. As a consequence of this the Council will only consider using its powers to reduce council tax liability for any council tax payer or class of payer in exceptional circumstances. It is anticipated that the overall total cost of this award for care leavers will not exceed £20,000.
16. Welsh Government should be lobbied to introduce a separate exemption class for care leavers. This would then ensure that the cost of such a measure is included within the financial settlement and reflected in our Revenue Support Grant.

## **Legal Implications**

17. As an Equality Impact Assessment was carried out before the Council Tax Discretionary Relief Policy was approved there is no need to carry out a further assessment.
18. The relevant legislative provisions are referred to in the substantive text of this report.

## **RECOMMENDATIONS**

Cabinet is recommended to:

- (1) Create a separate exemption class for Care Leavers.
- (2) Note that this exemption class will apply to Care Leavers up until their 25<sup>th</sup> birthday. A discount of up to 100% of the Council Tax (dependent on household composition) be applied.
- (3) Note that the discount will be awarded after all other discounts, exemptions and Council Tax Reduction have been awarded.
- (4) The Council lobby the Welsh Government to create a statutory exemption from the council tax charge for care leavers.
- (5) To update the Policy to reflect the new exemption class and also permit the granting of section 13a (1)(c) for more than a year.

**CHRISTINE SALTER**  
**CORPORATE DIRECTOR RESOURCES**  
**12 January 2018**

*The following Appendix is attached:*

Appendix 1: Council Tax Discretionary Relief Policy