

16th April 2024

KEY DECISION? YES/NO

COUNCIL TAX – CARE LEAVERS DISCOUNT

SUMMARY:

This report seeks approval to provide up to a 100% discount from the council tax liability of residents of Rushmoor who are care leavers aged up to 25.

The Council has discretion to reduce council tax liability for individuals or prescribed groups. This discretion is exercised in accordance with Section 13A(1)(C) of the Local Government Finance Act 1992.

RECOMMENDATIONS:

Cabinet is recommended to: -

- 1) To approve the Care Leavers Discount Policy, as set out in Appendix 1 of this report.

1. INTRODUCTION

- 1.1. The council has the discretion to reduce Council Tax Liability for individuals or prescribed groups. This discretion is exercised in accordance with section 13A(1)(C) of the Local Government Finance Act 1992.
- 1.2. For the purpose of this report a care leaver is defined as a person who has been in the care of a local authority (looked after) for a period or cumulative periods equalling at least 13 weeks since the age of 14 and which ended on or after their 16th birthday.

2. BACKGROUND

- 2.1. Care leavers are amongst the most vulnerable groups in society. Many will have suffered abuse or neglect. Research advises that care leavers show significantly lower academic achievement, are more likely to be unemployed and to have mental health needs.
- 2.2. A 2015 report by The Childrens Society [The Childrens Society The Wolf at the Door March 2015.pdf \(gedling.gov.uk\)](#) suggests that care leavers are a

particularly vulnerable group for council tax debt. The Childrens Society believes that to ensure that the transition from care to adult life is as smooth as possible, and to mitigate the chances of care leavers falling into debt as they begin to manage their own finances, they should be exempt from paying Council Tax.

- 2.3. It found that when care leavers moved into independent accommodation and they began to manage their own budget fully for the first time, that this is a challenging time for care leavers, particularly if they are falling behind on their council Tax.
- 2.4. Therefore, the Childrens Society report made several recommendations including making care leavers ineligible for a council tax discount. This would relieve some of that initial pressure.
- 2.5. Hampshire County Council have also highlighted this campaign and have urged Hampshire Billing Authorities to provide for this discount. At present only two Billing Authorities in Hampshire do not provide for this discount, one being Rushmoor and the other Gosport Borough Council.

3. DETAILS OF THE CARE LEAVER DISCOUNT

- 3.1. Full details of the care leaver discount can be found in Appendix 1 of this report. However, a summary of the proposals are in paragraphs 3.2 to 3.10 of this report.
- 3.2. A care leaver, for the purposes of this policy, is defined as a young person aged 18-25 who was formerly a child in the care of Hampshire County Council and then became a “Former Relevant Child” as defined by The Children (Leaving Care) Act 2000. The care leaver must be resident and liable for council tax within the Rushmoor Borough Council area.
- 3.3. A care leaver must be aged 18-25 years to qualify for a reduction under the care leavers discount scheme. A care leaver will cease to qualify for the discount from the date of their 25th birthday.
- 3.4. The care leaver must be the liable person for council tax, either solely or joint and severally with other(s), at the dwelling in respect of which the application is made. The council tax bill must be in their name or include their name.
- 3.5. Where a care leaver lives in a house of multiple occupation or other property where they are not the council taxpayer, no discount will be awarded.
- 3.6. The care leaver discount will apply to occupied properties only.
- 3.7. The care leaver discount is effective from 1 April 2024.

- 3.8. Where care leavers meet the eligibility criteria above they will be eligible to apply for a discount as follows:
- Where a property is solely occupied by a care leaver(s) a 100% discount will be awarded.
 - Where a customer is in occupation and jointly liable with others, a 50% discount will be awarded.
- 3.9. The care leaver discount will be awarded after all other discounts, exemptions and council tax support have been awarded, if still applicable.

Consultation

- 3.10. A public consultation is not required before introducing a new discount under S13A(1)(C) of the Local Government Finance Act 1992.

4. IMPLICATIONS

Risks

- 4.1. There are no significant risks associated with this report.

Legal Implications

- 4.2. The legal provision to introduce a new discount is contained within S13A(1)(C) of the Local Government Finance Act 1992.

Financial Implications

- 4.3. There are 6 individuals liable for Council Tax who have been identified as being a care leaver. The total value of discount awarded will be £7,063. The council's proportion of this (11.2%) would amount to £791. The remainder would be picked up by the other preceptors.
- 4.4. Therefore, the financial implication for the council is relatively low.

Equalities Impact Implications

- 4.5. There are no negative equalities impacts associated with implementing the policy.

5. CONCLUSIONS

- 5.1. In conclusion, cabinet are asked to approve the care leaver discount as set out in this report.
- 5.2. The discount will be delivered using our powers under the S13A(1)(C) of the Local Government Finance Act 1992.

- 5.3. The Corporate Services Portfolio Holder is supportive of the care leaver discount.
- 5.4. The financial implication to the council is relatively low but would be of significant benefit to a vulnerable group in society.

LIST OF APPENDICES/ANNEXES:

Care Leavers Discount Policy (Appendix 1)

BACKGROUND DOCUMENTS:

[The Childrens Society The Wolf at the Door March 2015.pdf \(gedling.gov.uk\)](#)

CONTACT DETAILS:

Report Author – David May / david.may@rushmoor.gov.uk / 01252 398330

Head of Service – Peter Vickers / peter.vickers@rushmoor.gov.uk

Discretionary Council Tax Discount Policy Care Leavers

(Section 13A Local Government Finance Act 1992)

1. Introduction

The Government made recommendations in its care leavers strategy “Keep on Caring”, published in July 2016, that local authorities should consider exempting care leavers from council tax using their existing discretionary powers under Section 13A of the Local Government Finance Act 1992. Many councils have since introduced discounts for care leavers.

2. Legal provision

Billing authorities have discretion under Section 13A(1)(c) of the local Government Finance Act 1992 to reduce the amount of council tax payable for individuals or for classes of council taxpayer. This includes the power to reduce the amount payable to nil.

This provision is separate to and distinct from the Council Tax Support Scheme which is made under Section 13A(1)(a) of the Local Government Finance Act 1992. It allows the Council to reduce the amount payable after all statutory discounts, exemptions, and local council tax support scheme.

3. Eligibility criteria

- A care leaver, for the purposes of this policy, is defined as a young person aged 18-25 who was formerly a child in the care of Hampshire County Council and then became a “Former Relevant Child” as defined by The Children (Leaving Care) Act 2000. The care leaver must be resident and liable for council tax on a property within the Rushmoor Borough Council area.
- A care leaver must be aged 18-25 years old to qualify for a reduction under the care leavers discount scheme. A care leaver will cease to qualify for discount from the date of their 25th birthday.
- The care leaver must be the liable person for council tax, either solely or jointly and severally with other(s), at the dwelling in respect of which the application is made. The council tax bill must be in their name or name on it.
- Where a care leaver lives in a house in multiple occupation or other property where they are not the council taxpayer, no discount will be awarded.
- The care leaver discount will apply to occupied properties only.

4 Care Leaver Discount

The care leaver discount is effective from 1 April 2024.

Care leavers that meet the eligibility criteria above will be eligible to apply for a discretionary council tax discount as follows:

- Where a property is solely occupied by care leaver(s) a 100% discount will be awarded.
- Where a care leaver is in occupation and jointly liable with others, a 50% discount will be awarded.

The care leaver discount will be awarded after all other discount, exemptions and council tax support have been awarded, if applicable.

5 Application process and administration

An application should provide the following information:

- Full name
- Date of birth
- Current address
- Details of any other adults in the property and relationship to them
- Details of any circumstances that would be relevant regarding entitlement to discounts, disregards or exemptions.
- Contact details
- Name of lead care support worker if known.

Awards will be made directly by awarding a discount to the council tax liability. Notification of the discount being awarded will be by way of the council tax bill. The Revenues and Benefits Service will undertake periodic reviews appropriate to the individual circumstances of each case. The care leaver (or his/her appointee or a recognised third party acting on his/her behalf) must advise Rushmoor Borough Council of any change in circumstances which may affect entitlement to the discount within 21 days of the change occurring.

Any overpaid care leaver discount will be reclaimed through the relevant council tax account and collected and recovered under the Council Tax (administration and Enforcement) Regulations 1992.