

## Report of the Deputy Chief Executive

**CARE LEAVERS' COUNCIL TAX REDUCTION SCHEME**1. Purpose of report

To request approval to implement a Council Tax Reduction Scheme to assist care leavers, as set out in the appendix.

2. Background

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

The proposed scheme is in addition to the Council's Local Council Tax Support Scheme (LCTSS) and will provide assistance to people living within the borough who have previously been in care and meet the appropriate qualifying criteria, as detailed in the appendix.

The proposed Care Leave Reduction Scheme will only be applied after all other relevant discounts and exemptions. It is anticipated that most care leavers will already be receiving assistance through the Council's LCTSS, which grants a reduction to council tax payers based on an assessment of their means to pay. Where the qualifying criteria is met and all discounts and exemptions, including LCTSS, do not cover the full Council Tax charge, then under the proposed scheme the Council Tax payer could receive assistance up to 100% of their charge. Guidelines are provided in the appendix of the report.

3. Financial implications

The financial implications of the Care Leavers' reduction scheme can be found in appendix 2 of the report.

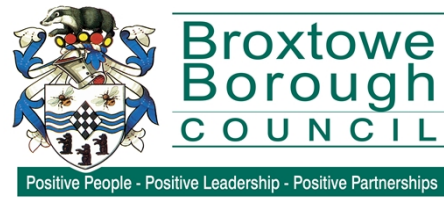
**Recommendations**

- The Committee is asked to:**
- 1. RESOLVE that the implementation of the Care Leavers Council Tax Reduction Scheme be adopted.**
  - 2. RESOLVE that the Head of Revenues and Benefits be delegated the authority to decide upon the award of Care Leavers' Council Tax Reduction Scheme.**
  - 3. RECOMMEND to the Finance and Resources Committee that a supplementary capital estimate of £5,700 for software to administer the Care Leavers' Council Tax Reduction Scheme be approved with funding from 2018/19 capital contingencies**

Background papers

Nil

**APPENDIX 1**



**Policy Guidelines  
Council Tax  
Care Leavers' Reduction  
Scheme**

<b>Date:</b>	<b>May 2018</b>
<b>Prepared by:</b>	<b>Phil Sudlow - Head of Revenues and Benefits Managed Service</b>

## 1. Introduction

Broxtowe Borough has the discretion to reduce the council tax of any such persons as it sees fit. This discretion is allowed by section 13A(1)(c) of the Local Government Finance Act 1992.

The Council has determined that it will provide a reduction in council tax to those persons liable to pay council tax within the Borough who are defined as care leavers. Providing this support will help care leavers manage the social and financial transition from local authority care to independent living.

## 2. Delegation

The authority to determine applications for council tax reduction for care leavers is delegated to the Head of Revenues and Benefits.

Each request for relief will be considered on its own merits.

## 3. Who is eligible for council tax reduction?

For the purposes of this guidance, a care leaver is defined as a person aged between 16 and 25, who is resident in the Borough with a council tax liability and:

- i. has been in the care of a local authority 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, or;
- ii. is aged between 16 and 21 and with respect to whom a guardianship order is in force (or was in force on their 18th birthday) and was looked after immediately before the making of that order, or;
- iii. at any time after their 16th birthday but before their 18th birthday, was, but no longer is, looked after, accommodated or fostered.

This definition incorporates the statutory definitions of “former relevant child” and “qualifying care leaver” as defined in the Children Act 1989.

## 4. How will council tax reduction be applied?

The council tax reduction will take effect from 1st April 2018. Care leavers who become responsible for council tax after this date will be granted a reduction from the date their council tax liability begins.

Care leavers who are liable for council tax on 1st April 2018 will be granted a reduction from 1st April 2018.

The reduction will be awarded after all other relevant discounts, reductions and exemptions to the council tax liability have been awarded.

Where the reduction is awarded, it will remain in place until the care leaver reaches the age of 25 years (the care leaver's 25th birthday) or ceases to be liable for the council tax, whichever date occurs first. In these circumstances, the bill will be apportioned.

Where a reduction has been awarded, a council tax bill will be issued showing the detail of the reduction. If a request for reduction is refused, a letter will be issued detailing the reasons for the refusal.

### **5. How much council tax reduction will be applied?**

Where a care leaver has a liability for council tax, the reduction in that liability will be up to 100%.

The amount of reduction awarded will be the relevant amount (after all other discounts, reductions and exemptions) required to reduce the care leaver's council tax liability amount to zero.

If, subsequent to an award, the care leaver's liability for council tax reduces during the period of the award, for example if the care leaver becomes entitled to a single person discount, the care leaver's reduction will be amended to ensure the award does not exceed the care leaver's council tax liability for the period.

Where there is a shared liability for council tax, the reduction will only be paid to cover the share for which the care leaver would be liable.

### **6. Right of appeal**

Under section 16 of the Local Government Finance Act 1992, a person applying for a reduction in council tax but disagrees with the decision of the Council may appeal the decision.

This appeal in the first instance should be made to the Council's Revenues Team. If after this the person making the request for reduction is still not satisfied, they may then make an appeal to the Valuation Tribunal for England (VTE).

The VTE is an independent body which adjudicates between taxpayers and the Council. Appeals to the VTE must be made directly to the VTE.

## APPENDIX 2

**Financial Implications**

The Council does not currently have the software to administer such a reduction in Council Tax. The additional software is £5,700 plus on-going maintenance of £1,100 per annum. The cost of the additional software can be met from 2018/19 capital contingencies of which £38,000 is presently available. The on-going maintenance costs will be met from the ICT software maintenance revenue budget.

Although the Council is aware that there are currently 43 care leavers living within the borough, it is not fully aware of the demographic of these individuals and how many of these are currently receiving Council Tax Support. Based on a situation where all 43 required additional support through the care leavers' reduction scheme, then there would be a reduction of approximately £50,000 per annum in collection of Council Tax. Based upon the 2018/19 precepts, the Broxtowe Borough Council share of this would be approximately £4,350 (or 8.7%) with the other precepting authorities (Nottinghamshire County Council, Nottinghamshire Police and Crime Commissioner and Nottinghamshire Fire Authority) meeting approximately £45,650 (or 91.3%)