

**REPORT TO:** Executive Board

**DATE:** 19 July 2018

**REPORTING OFFICER:** Strategic Director Enterprise Community & Resources

**PORTFOLIO:** Resources

**SUBJECT:** Council Tax Section 13A Discount Policy

**WARD(S):** Borough-wide

**1. PURPOSE OF REPORT**

1.1. To propose two amendments to the Council Tax Section 13A Discount Policy, in relation to discretionary council tax relief provided to Care Leavers.

**2. RECOMMENDED: That**

**1) the two amendments to the Council Tax Section 13A Discount Policy outlined in paragraphs 3.4 and 3.6 below, be approved; and**

**2) the updated Council Tax Section 13A Discount Policy presented within Appendix 1, be approved.**

**3. SUPPORTING INFORMATION**

3.1 On 5 June 2018 the Corporate Policy & Performance Board received a report (see Appendix 1) regarding two proposed changes to the Council Tax Section 13A Discount Policy in respect of Care Leavers.

3.2 Halton's Care Leavers currently receive 100% council tax discount, which the Council introduced from April 2018 in order to support Care Leavers with their transition into adulthood and help avoid them falling into financial hardship, as part of the Council's corporate parenting role.

3.3 Discussions with neighbouring authorities have raised two potential anomalies within Halton's policy, which this report seeks to rectify.

3.4 Where a Care Leaver is jointly and severally liable to pay council tax with one or more other residents in a property who are not Care Leavers, it is proposed that the council tax payable for the property will only be reduced by 50% rather than 100%. This is to ensure that non-Care Leavers are not advantaged through the policy and that relief is only provided to eligible Care Leavers. A similar approach is now operated by most other councils within the North West.

3.5 The Section 13A Policy currently states that discretionary relief will only apply to Care Leavers for whom the Council has acted previously as a corporate parent. However, the majority of North West councils now apply discretionary

relief to “all” Care Leavers who reside within their boundaries, irrespective of which council has previously acted as their corporate parent.

- 3.6 It is therefore proposed to amend the wording of the Section 13A Policy, to provide discretionary council tax relief to Care Leavers regardless of which council previously acted as their corporate parent. This will also ensure the Council can provide a reciprocal arrangement to that provided for Halton Care Leavers who move to other boroughs. To date the Council has only been approached by one Care Leaver residing within the Borough, for whom Hertfordshire County Council previously acted as their corporate parent.
- 3.7 The proposed amendments to the Council Tax Section 13A Discount Policy in respect of Care Leavers, will help to ensure that the Policy remains equitable and is consistent with the approach adopted by other North West councils. The amended Section 13A Discount Policy is presented in Appendix 1.

#### **4. POLICY IMPLICATIONS**

- 4.1 The policy statement presented in the Appendix would meet the requirements of Section 13A of the Local Government Finance Act 1992 (as amended).

#### **5. FINANCIAL IMPLICATIONS**

- 5.1 The total cost of the relief proposed cannot be determined precisely as the number of Care Leavers who would continue to reside in Halton cannot be accurately determined and neither can the value of the national discounts, exemptions or council tax reduction they would be entitled to. Relief would only be granted for the amount of council tax the Care Leaver still has to pay “after” such discounts and support have been taken into account.
- 5.3 Taking into consideration all of these factors, the total cost to the Council of discretionary relief provided for Care Leavers is expected to be in the region of £7,000 per year.

#### **6. IMPLICATIONS FOR THE COUNCIL’S PRIORITIES**

##### **6.1 Children and Young People in Halton**

##### **6.2 Employment, Learning and Skills in Halton**

##### **6.3 A Healthy Halton**

##### **6.4 A Safer Halton**

##### **6.5 Halton’s Urban Renewal**

Depending upon the specific circumstances, the award of discounts under the Section 13A Policy have the potential to affect all of the Council priorities above.

## **7. RISK ANALYSIS**

- 7.1 The total cost of awards granted may become significant, therefore the number and cost of awards will be closely monitored.

## **8. EQUALITY AND DIVERSITY ISSUES**

- 8.1 The eligibility criteria and application process relation to the Section 13A Policy will ensure that no particular groups of individuals are excluded.
- 8.2 In accordance with our equality duty, this proposal will result in more favourable treatment being applied to Care Leavers living in Halton, in order to advance equality of opportunity, with the overall aim of removing financial barriers, resulting in increased opportunities for employment, education and/or training opportunities.

## **9. LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
Section 13A Local Government Finance Act 1992 (as amended)	Revenues & Financial Management Division Kingsway House Widnes	Steve Baker

**REPORT TO:** Corporate Policy & Performance Board

**DATE:** 5<sup>th</sup> June 2018

**REPORTING OFFICER:** Strategic Director Enterprise Community & Resources

**PORTFOLIO:** Resources

**SUBJECT:** Amendment to Council Tax Section 13A Discount Policy Statement

**WARD(S):** Borough-wide

## **1.0 PURPOSE OF REPORT**

- 3.1. To propose two amendments to the Council Tax Section 13A Discount Policy Statement, in relation to discretionary council tax relief provided to Care Leavers.

## **2.0 RECOMMENDED: That Executive Board approve the amended Council Tax Section 13A Discount Policy Statement attached at Appendix A.**

## **3.0 SUPPORTING INFORMATION**

### **Background**

- 3.1 On 21 September 2017, Executive Board approved an amendment to the Council Tax Section 13A Discount Policy Statement, to reduce to nil the amount of council tax payable by young people leaving care from the ages 18 to 25. This amendment was applied from 1<sup>st</sup> April 2018. The Council was responding to a Children's Society campaign which identified a range of disadvantages that Care Leavers typically experience. The campaign called upon local authorities to do more to support families who are struggling with council tax debt, in particular, Care Leavers.
- 3.2 The Council agreed with the campaign's principal sentiment that young people's transition out of care and into adulthood is often difficult and managing money for the first time can make Care Leavers vulnerable and at risk of falling into debt.
- 3.3 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 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 of cases that it may determine where national discounts and exemptions cannot be applied.

- 3.5 The most cost efficient way of determining the value of Care Leaver's discretionary relief is to calculate how much council tax the Care Leaver still has to pay after any existing statutory discounts and Council Tax Support (CTS) has been taken into account. It is estimated that this relief will amount to around £7,000 per annum and therefore in relative terms it does not represent a significant financial cost for the Council.

### **Proposed Amendments**

- 3.6 Where a Care Leaver is jointly and severally liable to pay council tax with one or more other residents in a property who are not Care Leavers, it is proposed that the council tax payable for the property will only be reduced by 50% (rather than 100%). This is to ensure that non-Care Leavers are not advantaged through the policy and that relief is only provided to eligible Care Leavers. A similar approach is now operated by most other councils within the North West.
- 3.7 The Council's existing Section 13A Policy states that discretionary relief will only apply to Care Leavers for whom the Council has acted previously as a corporate parent. The majority of North West councils now apply discretionary relief to "all" Care Leavers who reside within their boundaries, irrespective of which council has previously acted as their corporate parent.
- 3.8 It is therefore proposed to amend the wording of the Section 13A Policy Statement, to enable the Council to provide discretionary council tax relief to Care Leavers regardless of which council has previously acted as their corporate parent. This will also ensure that the Council can provide a reciprocal agreement to that provided for Halton Care Leavers who move to other boroughs. To date the Council has only been approached by one Care Leaver residing within the Borough, for whom Hertfordshire County Council previously acted as their corporate parent.

### **Conclusion**

- 3.9 The proposed amendments to the Council Tax Section 13A Discount Policy in respect of Care Leavers, will help to ensure that the Policy remains equitable and is consistent with the approach adopted by other North West councils.

### **4.0 POLICY IMPLICATIONS**

- 4.1 The policy statement presented in the Appendix meets the requirements of Section 13A of the Local Government Finance Act 1992 (as amended).

### **5.0 FINANCIAL IMPLICATIONS**

- 5.1 The cost of any care leavers discounts awarded under the Council Tax Section 13A Policy would be met in full by the Borough's council taxpayers.
- 5.2 The total cost of the discretionary relief awarded is estimated to cost the Council in the region of £7,000 per annum.

## **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

### **6.1 Children and Young People in Halton**

### **6.2 Employment, Learning and Skills in Halton**

### **6.3 A Healthy Halton**

### **6.4 A Safer Halton**

### **6.5 Halton's Urban Renewal**

Depending upon the specific circumstances, the award of discretionary relief under the Section 13A Policy has the potential to affect all of the Council priorities above.

## **7.0 RISK ANALYSIS**

7.1 The total cost of awards granted may become significant, therefore the number and cost of awards will be closely monitored.

## **8.0 EQUALITY AND DIVERSITY ISSUES**

8.1 The eligibility criteria and application process relation to the Section 13A Policy will ensure that no particular groups of individuals are excluded.

8.2 In accordance with the Council's equality duty, this proposal will result in more favourable treatment being applied to Care Leavers living in Halton, in order to advance equality of opportunity, with the overall aim of removing financial barriers, resulting in increased opportunities for employment, education and/or training opportunities.

## **9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
Section 13A Local Government Finance Act 1992 (as amended)	Revenues & Financial Management Kingsway House Widnes	Stephen Baker

APPENDIX A

Council Tax  
Section 13A Discount  
Policy Statement

## **1. INTRODUCTION**

- 1.1 Section 13A of the Local Government Finance Act 1992 (as amended) provides the Council with discretionary powers to reduce the amount of council tax liability in exceptional circumstances, where national discounts and exemptions cannot be applied.
- 1.2 This would only be applied in exceptional circumstances and would then be considered on a case-by-case basis or for several taxpayers who may fall into a group due to similar circumstances e.g. those who have had to leave their home due to flooding or fire or care leavers
- 1.3 Council tax legislation provides a wide range of discounts, exemptions and reductions that have the effect of reducing the level of council tax due. Applicants will therefore be expected to have exhausted all other options before making an application under this policy.
- 1.4 Prior to applying this policy, consideration should be given to whether alternative actions should be undertaken. Therefore, this policy will only consider exceptional circumstances, where it is appropriate and fair to provide a discretionary discount.

## **2. STATEMENT OF OBJECTIVES**

- 2.1 Section 13A discount awards will be awarded when tax payers experience unforeseen or exceptional circumstances that threaten their ability to pay their council tax.
- 2.2 Given that the cost of any such award has to be met by the Borough's council taxpayers, any applications must meet the underlying principle of offering value for money to council tax payers. This will be achieved by asking for a range of information to support each application.
- 2.3 From time to time Government may introduce a specific scheme in response to an event such as a natural disaster (e.g. flooding). Where such schemes are introduced, funding is normally fully met by Government without impact upon the local council taxpayer.
- 2.4 Any such schemes that are introduced, in so far as they fall to be administered under Section 13A of The Local Government Finance Act 1992 (as amended), will be administered in accordance with instructions and guidance set out by Government.
- 2.5 The Council will consider making a Section 13A award to applicants who meet the qualifying criteria set out below. All applicants will be considered on their individual merits.
- 2.6 Section 3 of this policy details classes of case which may be entitled to a reduction in accordance with Section 13A.



### **3. SECTION 13A (1) (C) DISCRETIONARY RELIEF FOR CARE LEAVERS**

3.1 The Council may reduce to nil the council tax liability of Care Leavers who satisfy all of the following criteria:

- The person is a former relevant Care Leaver as defined within the Children (Leaving Care) Act 2000
- The person has left care and is aged between 18 and 25
- The person resides within Halton and is liable to pay council tax to Halton Borough Council with effect from 1<sup>st</sup> April 2018.

3.2 Any award given to an individual case will end on the day before their 25<sup>th</sup> birthday

3.3 Where the Care Leaver is liable for more than one property the discretionary relief will be awarded in respect of only one property, that being the person's sole or main residence.

3.4 The amount of relief granted will be the amount of council tax the Care Leaver still has to pay after any existing statutory discounts and council tax support (CTS) has been taken into account.

3.5 Any award given will be automatically granted and any change to the Care Leaver's circumstances during the financial year will be taken into consideration.

3.6 Where the Care Leaver is jointly and severally liable with one or more residents, who are not Care Leavers, the amount of council tax payable will be reduced by 50%.

### **4. APPLICATION PROCESS**

4.1 The features of the Council's Section 13A Discount Policy are that:

- It is discretionary;
- An applicant does not have the statutory right to a payment;
- The operation of the scheme is for the Council to determine;
- The Council may choose to vary the way in which funds are allocated according to community needs;
- Other than the normal appeal against the application of discretionary function by Judicial Review, there is no right to a statutory appeal of any application decision. In the interest of fairness the Council will operate an internal review procedure for appeals in a non-discriminatory way;

4.2 In order for an application to be considered, there is no formal application form. All applications shall be made in writing, written or by email, by the Council Taxpayer or by somebody authorised to act on their behalf. It should be submitted to the Council Tax Team under the title of Section 13A Discount application. Applications should relate to the current council tax year, and should include the following information:

- The reason for the request;
- How long the discount is wanted for;
- The steps that have been taken to meet or mitigate the council tax liability;
- The cost of such a discount.

## **5. ELIGIBILITY CRITERIA**

5.1 There are no pre-set criteria for the award of a Section 13A council tax discount. Each application will therefore be considered on its individual merits.

5.2 In deciding whether to award a Section 13A discount, the Applicant's particular circumstances will be considered. The Applicant will therefore be asked to provide supporting evidence to substantiate the answers that they give to the questions above. This may include, but is not limited to:

- Income and expenditure statements;
- Any sources of credit such as debit cards, credit cards, store cards, overdraft facilities and loan arrangements;
- Any financial assistance which is likely to be available to the Applicant from other sources.

5.3 Decisions on eligibility for an award will be made by the Operational Director Finance. All awards will be made by crediting the award value to the council tax account to which it applies.

5.4 The Council will notify the Applicant in writing of the outcome within 20 working days of the date the decision is made. Where the request for an award under Section 13A is unsuccessful or is not met in full, the Council will explain the reasons why the decision was made.

## **6. THE RIGHT TO APPEAL**

6.1 Section 13A awards are administered under the Local Government Finance Act 1992 (as amended) and are not subject to a statutory appeals process. Appeals will therefore be decided by the Council.

6.2 The Council will operate the policy for dealing with appeals about either the decision not to make an award or the amount of an award.

- 6.3 An applicant who requires further explanation of a Section 13A Discount decision must request this in writing within 20 days of notification of the decision.
- 6.4 An applicant who disagrees with a decision may appeal the decision within 20 days of the original decision. Where possible, the Council will initially try to resolve the matter by explaining the reasons for the decision to the Applicant in writing.
- 6.5 Decisions on appeals will be made by the Strategic Director Enterprise, Community & Resources. If it is decided to reject the appeal, the reasons for the decision will be provided to the Applicant in writing within 20 working days.

## **7. OVERPAYMENTS**

- 7.1 If the Council becomes aware that the information contained in an application for a Section 13A Discount award was incorrect or that relevant information was not declared, either intentionally or otherwise, the Council may seek to recover the value of any award made as a result of that application.
- 7.2 The award will be removed from the relevant council tax account and any resulting balance will be subject to the normal methods of collection and recovery applicable to such accounts.

## **8. FRAUD**

- 8.1 The Council is committed to prevent fraud. Any applicant who tries to fraudulently claim a Section 13A discount might have committed an offence under the Fraud Act 2006. If the Council suspects that fraud may have occurred, the matter will be investigated as appropriate and this could lead to criminal proceedings.