

REPORT TO: Executive Board

DATE: 13 December 2018

REPORTING OFFICER: Strategic Director, Enterprise, Community and Resources

PORTFOLIO: Resources

SUBJECT: Council Tax Section 13A Discount Policy

WARD(S): Borough-wide

1. PURPOSE OF REPORT

- 1.1. To propose an amendment to the Council Tax Section 13A Discount Policy, in relation to discretionary council tax relief provided to Foster Carers and to consider providing similar relief for Special Guardians, as recommended by the Corporate Policy & Performance Board

2. RECOMMENDED: That

- 1) the amendment to the Council Tax Section 13A Discount Policy outlined in paragraph 3.4 below in respect of Foster Carers, be approved;**
- 2) consideration be given as to whether to provide council tax relief to Special Guardians as outlined in paragraphs 3.6 and 3.7 below;**
- 3) the Council Tax Section 13A Discount Policy presented within Appendix 1 be approved, with any further amendments arising from Recommendation 2 to be made by the Operational Director, Finance in consultation with the Portfolio Holder for Resources.**

3. SUPPORTING INFORMATION

- 3.1 On 6th November 2018 the Corporate Policy and Performance Board received a report (see Appendix 1) regarding a proposed change to the Council Tax Section 13A Discount Policy in respect of Foster Carers.
- 3.2 Over recent years the Council has experienced a significant increase in the number of children coming into care. This has placed significant demand pressures upon the availability of residential and foster care placements within the Borough. As a result, many children are having to be placed outside the Borough in more costly placements.
- 3.3 Work is currently being carried out to increase the availability of placements within the Borough, both for the benefit of children and also to utilise more cost effective placements. A key objective for this work is to increase the number of Foster Carers available within the Borough. This will enable some

children to be placed in foster care rather than residential care and also to remain within the Borough rather than out of Borough.

- 3.4 In order to encourage new Foster Carers and to help retain Halton's existing Foster Carers within the Borough, the Corporate Policy and Performance Board recommended that the Council Tax Section 13A Discount Policy be amended to provide 100% discretionary council tax discount for all Foster Carers resident within the Borough who foster Halton children directly on behalf of the Council. This discount would not apply to Foster Carers associated with Independent Fostering Agencies.
- 3.5 The proposed amended Section 13A Discount Policy is presented in Appendix 1.
- 3.6 The Corporate Policy and Performance Board made an additional recommendation that Executive Board consider whether to also provide 100% discretionary council tax discount for all Special Guardians resident within the Borough who have responsibility for Halton children.
- 3.7 Special Guardianship Orders are established by the Courts in order to provide family members (usually) with legal responsibility for the care of children. We would not support awarding 100% discretionary council tax discount to Special Guardians.

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 providing the relief proposed for Foster Carers would be approximately £70,000 per annum, after taking into account any other existing discounts they may be entitled to.
- 5.2 The potential cost reductions from placing children with Foster Carers rather than in residential care are significant.

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 in relation to the Section 13A Policy will ensure that no particular groups of individuals are excluded.

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

Document	Place of Inspection	Contact Officer
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: 6th November 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 an amendments to the Council Tax Section 13A Discount Policy, in relation to the provision of discretionary council tax discount for Halton Foster Carers resident within the Borough.

2. RECOMMENDED: That the amendment to the Council Tax Section 13A Discount Policy proposed in paragraph 3.5 below regarding Foster Carers and the updated Policy document presented in the Appendix, be recommended to Executive Board for approval.

3. SUPPORTING INFORMATION

3.1 Over the past few years the Council has experienced a significant increase in the number of children coming into care. This has placed significant demand pressures upon the availability of residential and foster care placements within the Borough. As a result, many children are having to be placed outside the Borough in more costly placements. The children in care budget was overspent by £4.3m in 2017/18 and despite having increased the budget provision by £3m it is forecast to be £4m overspent by the end of 2018/19.

3.2 Work is currently being carried out to increase the availability of placements within the Borough, both for the benefit of children and also to utilise more cost effective placements.

3.3 A key objective for this work is to increase the number of Foster Carers available within the Borough. This will enable some children to be placed in foster care rather than residential care and also to remain within the Borough rather than out of Borough. This will help to reduce costs as foster care placements cost significantly less than residential placements. The average cost of an out of Borough residential care placement is currently around £170,000 per annum, whilst a foster care placement within the Borough is currently around £26,000 per annum on average.

3.4 A range of initiatives have been launched by Children's Services to identify and encourage potential new Foster Carers within the Borough. To assist in

this respect, a number of councils now provide 100% discretionary council tax discount for their Foster Carers.

- 3.5 In order to encourage new Foster Carers and to help retain Halton's existing Foster Carers within the Borough, it is proposed to amend the Council Tax Section 13A Discount Policy to provide 100% discretionary council tax discount for all Foster Carers resident within the Borough who foster Halton children directly on behalf of the Council. This discount would not apply to Foster Carers associated with Independent Fostering Agencies.

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 There are currently approximately 70 Foster Care households within the Borough. After taking into account existing discounts such as council tax reduction, the total cost of providing 100% discretionary council tax discount for existing Foster Care households would be approximately £70,000 per annum.
- 5.2 The potential cost savings from placing children in foster care within the Borough rather than in residential care, will significantly out-weigh the cost of providing this council tax discount.

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 If no new Foster Carers were recruited then there would be a loss of £70,000 from providing discounts to all existing Foster Carers, although this would still assist with retaining existing provision. However, the placement of just one child with a new Foster Carer within the Borough rather than in residential care, would more than offset the total cost of council tax discounts provided.

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.

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

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

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, care leavers or foster carers.
- 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 Sections 3 and 4 of this policy details specific groups of taxpayers who may be entitled to a reduction in accordance with Section 13A.

3. 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 1st April 2018.

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

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

3.4 The amount of discount granted will be the amount of council tax the Care Leaver still has to pay after any existing statutory discounts and council tax support 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. FOSTER CARERS

4.1 The Council may reduce to nil the council tax liability of Foster Carers who satisfy all of the following criteria:

- The person is available to provide or currently provides foster care services directly on behalf of the Council.
- The person resides within Halton and is liable to pay council tax to Halton Borough Council from 1st April 2019 onwards.

4.2 This discount will not apply to Foster Carers who provide services via an Independent Fostering Agency.

4.3 Where the Foster Carer is liable for more than one property, the council tax discount will be awarded in respect of only one property, that being the person's sole or main residence.

- 4.4 The amount of discount granted will be the amount of council tax the Foster Carer still has to pay after any existing statutory discounts and council tax support has been taken into account.
- 4.5 Where a person commences providing foster care services on behalf of the Council during the financial year and continues to do so for at least three months, they will be awarded the council tax discount for the full financial year.
- 4.6 Any award given will be automatically granted and any change to the Foster Carer's circumstances during the financial year will be taken into consideration.

5. APPLICATION PROCESS

5.1 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;

5.2 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.

6. ELIGIBILITY CRITERIA

6.1 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.

6.2 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.

6.3 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.

6.4 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.

7. THE RIGHT TO APPEAL

7.1 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.

7.2 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.

7.3 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.

7.4 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.

7.5 Decisions on appeals will be made by the Council's Appeals Panel. 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.

8. OVERPAYMENTS

8.1 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.

8.2 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.

9. FRAUD

9.1 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.