

REPORT TO: Corporate Policy & Performance Board

DATE: 5th September 2017

REPORTING OFFICER: Strategic Director Enterprise Community & Resources

PORTFOLIO: Resources

SUBJECT: Council Tax Section 13A Discount Policy Statement

WARD(S): Borough-wide

1. PURPOSE OF REPORT

1.1. To amend 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.

2. RECOMMENDED: That Executive Board approve the 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.

3. SUPPORTING INFORMATION

3.1 The Council is responding to a recent Children's Society campaign that identified a range of disadvantages that care leavers typically experience. The campaign calls on local authorities to do more to support families who are struggling with council tax debt, in particular, care leavers. The campaign was supported by the Children's Commissioner for England, who has written to each council asking them to consider granting council tax relief for care leavers.

3.2 The Council agrees with the campaign's principal sentiment that young people's transition out of care and into adulthood is extremely difficult and that managing money for the first time can leave 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 Care leavers who were looked after by a 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 wants to keep them safe, make sure their experiences leaving care and moving into independent living are positive and improve their ongoing life chances.

- 3.5 The Council accepts its role as a corporate parent and wants to further support those young people who have left care to be able to live independently as adults. The proposed scheme will reduce to nil the amount of council tax a care leaver pays and so this debt cannot become a problem for them in the future.
- 3.6 The Children's Society details the case for care leavers up to the age of at least 21 to be exempted from paying council tax. However, the Council has a parenting role in some circumstances that lasts until the care leaver is 24, for this reason and in order to keep the scheme administratively easier to support, it is proposed to apply care leavers relief to every care leaver until their 25th birthday
- 3.7 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 (es) of cases that it may determine where national discounts and exemptions cannot be applied.
- 3.8 The most cost efficient way of determining the value of care leaver's 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. Current estimates suggest this would be around £6,000 per annum and therefore this does not represent a significant financial commitment for the Council
- 3.9 Care Leavers relief will be available from the start of the 2018/2019 financial year.

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 cost of any care leavers discounts awarded under the Section 13A Policy would be met in full by the council taxpayer.
- 5.2 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 and exemptions or CTS they would be entitled to.
- 5.3 Taking into consideration these uncertainties this relief is expected to cost the Council in the region of £6000 per year.

6. IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton

N/A

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

N/A

6.3 **A Healthy Halton**

N/A

6.4 **A Safer Halton**

N/A

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**

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

APPENDIX

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 is someone for whom Halton Borough Council has acted previously as a corporate parent
 - 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 relief will be awarded in respect of only one property, that being the persons 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.

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 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.