

<b>Title: Council Tax Discretionary Relief Policy for Care Leavers</b>	
<b>Ward(s):</b>	<i>All</i>
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<b>Cabinet lead:</b> Cllr Helen Godwin / Cllr Craig Cheney	Director lead Resources: Chris Holme Director lead Care and Safeguarding: Ann James
<b>Proposal origin:</b> <i>Councillor</i>	
<b>Decision maker:</b> <b>Cabinet Member</b> <b>Decision forum:</b> <i>Cabinet</i>	
<b>Purpose of Report:</b> To seek agreement to implement the Council Tax Discretionary Relief Policy for Care Leavers to the age of 25, which would take effect from the 1st of April 2018 (Policy at Appendix A)	
<p><b>Evidence Base:</b></p> <p>The Children's Society published a report called "The Wolf at the Door" in March 2015, showing that Care Leavers were a particularly vulnerable group when it comes to the collection of council tax. This national report showed that the pace of escalation of debt could be frightening for care leavers and can very quickly escalate to a court summons and enforcement action being taken.</p> <p>Councils have the power to introduce relief for council tax for certain groups under Section 13A of the Local Government Finance Act 1992. The government made recommendations in July 2016 that Local Authorities should consider supporting care leavers with the cost of council tax, using these existing discretionary powers. This recommendation is part of the government's care leaver strategy "Keep on Caring", in which councils are encouraged to consider the role of a corporate parent "through the lens of what any reasonable parent does to give their child the best start in life".</p> <p>Over 40 Councils have now introduced council tax relief for Care Leavers. Locally, a commitment was made in the recent refresh of our Corporate Parenting Strategy to 'bring forward proposals to support care leavers by alleviating the burden of council tax when our young people first leave care'.</p> <p>Modelling the potential cost of the policy / anticipated reduction in council tax income is complex and has been done based on a 'snap shot' of care leavers in October 2017. Several caveats apply to the data and broad assumptions were made about the value of current discounts. For the accounts so far identified, the total gross liability for the financial year 17-18 is £99,400. However, the estimated Net figure for relief of care leavers is £33,100. This takes into account existing discounts, exemptions and an estimate of their council tax reduction (CTR).</p> <p>These figures relate to care leavers actively engaging with us at present. If the policy is introduced more care leavers could come forward and this would increase the costs. Costs may also increase when care leavers who currently receive CTR apply for this relief instead of CTR, as the preceptors bear some of the cost of the CTR scheme.</p> <p>Information about the Policy will be available as part of the Care Leaver Offer, which will be published online and available in hard copy from the Through Care Service.</p>	
<p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. Provide relief for all care leavers from council tax until their 25th birthday through implementation of the Council Tax Discretionary Relief Policy (Appendix A) effective from 1 April 2018</li> </ol>	
<b>Revenue Cost:</b> £33,100(estimate)	<b>Source of Revenue Funding:</b> <i>Reduction in Council Tax income</i>
<b>Capital Cost:</b> £	<b>Source of Capital Funding:</b> <i>e.g. grant/ prudential borrowing etc.</i>

One off cost  Ongoing cost

Saving Proposal  Income generation proposal

**Finance Advice:**

This report proposes to support Bristol care leavers

- who are aged between 18 and 25 and
- who reside within the Bristol boundary and
- who are liable to pay council tax

by giving them up to 100% council tax relief.

Latest data shows that there are 81 Bristol care leavers aged between 18 and 25 who reside in Bristol. 77 of these care leavers are liable to pay council tax. After taking into account those exemptions, discounts and reductions which apply, current related income to the General Fund is estimated to be £33,100 p.a.

Introduction of this proposed 100% relief would result in the loss to budget of an estimated £33,100 p.a. The cost (of lost income and of administration) of this proposed scheme is currently expected to be entirely borne by the Council's Collection Fund (lost council tax income) /General Fund (admin expenses) and not to impact on the revenue for Fire and Police preceptors.

Over time it is anticipated that those care leavers currently receiving CTR, at an approximate total cost of £50,000 will apply for this relief. The CTR element will therefore reduce to zero. CTR reliefs are included in the council tax base and therefore the cost is shared with our preceptors. The split is around 85:15 to Bristol. Therefore the switch in reliefs will result in an additional loss of council tax income to Bristol of around £7,500, with a corresponding increase due to the preceptors.

It may be possible to ask the preceptors to support this initiative by contributing to the cost chargeable to the General Fund in proportion to their share of Council Tax income.

Note that there is a risk that the offer of this relief may result in additional eligible care leavers identifying themselves. In absolute financial terms the impact is likely to be low but it is recommended that this scheme is reviewed after 6 months to check take-up.

**Finance Business Partner:** Tony Whitlock 15/2/18

**Corporate Strategy alignment:** The Corporate Strategy includes a commitment to be great corporate parents and safeguard children and vulnerable adults, protecting them from exploitation or harm. It includes a commitment to be ambitious and pledges to care about care leavers and not just for them.

**Legal Advice:**

Section 13A(1)(c) of the Local Government Finance Act 1992 permits local authorities to reduce the council tax liability in respect of any chargeable property as it sees fit. The reduction may be to zero (s.13A(6)) and may be exercised in relation to a class of case (s.13A(7)), as is being proposed.

This is an executive decision. Legislation provides that all functions are considered to be executive unless they are otherwise specified by legislation or by the Authority as a local choice function. Whilst the Local Government Finance Act 1992 reserves the making or revising of a council tax reduction scheme to the authority ( i.e. full council), discretionary relief is not included in this provision and it is therefore an executive decision.

**Legal Team Leader:** Nancy Rollason, Service Manager Legal 16/02/2018

**City Benefits:** Many of these young people will have faced difficulties in their early years that will place them amongst the most disadvantaged in our society if we do not provide the care, stability and support needed to help them achieve their ambitions. As a council and as a city it is important that we take steps to be the best corporate parent and corporate family that we can. This proposal supports the City's ambition to reduce social inequality. It supports the intention that no one is left behind and has the opportunity to reach their potential. There are no significant environmental impacts to the proposal, a full Eco IA is not needed.

**Consultation Details:**

The proposed policy falls within section 13A1(c) of the Local Government Finance Act 1992 and outside the council tax reduction scheme required by sec13A (2). There is therefore no statutory duty to consult. In

deciding whether consultation should take place in any event relevant factors are the nature and the impact of the decision and whether interested groups have already been engaged in the policy making process. The more serious or significant the impact, the more likely it is that the views and concerns of those affected should be consulted upon before a decision is taken. This proposed policy has limited impact on the general public and does not deprive anyone of an existing benefit. Consultation may be necessary however if the council has consulted on this type of decision in the past, or stated that it will do so.

Sarah Sharland, Legal Services 12/02/2018

<b>DLT Sign-off</b>	Resources EDM	14/2/18
<b>SLT Sign-off</b>	Jacqui Jensen	20/2/18
<b>Cabinet Member sign-off</b>	Cllr Cheney	19/2/18
<b>For Key Decisions - Mayor's Office sign-off</b>	Mayor	19/2/18

Appendix A – Further essential background / detail on the proposal <b>Council Tax Discretionary Relief Policy</b>	<b>YES</b>
Appendix B – Details of consultation carried out - internal and external	<b>NO</b>
Appendix C – Summary of any engagement with scrutiny	<b>NO</b>
Appendix D – Risk assessment	<b>NO</b>
Appendix E – Equalities screening / impact assessment of proposal – Relevance Check	<b>YES</b>
Appendix F – Eco-impact screening/ impact assessment of proposal	<b>NO</b>
Appendix G – Exempt Information	<b>NO</b>
Appendix H – Legal Advice	<b>NO</b>
Appendix I – Combined Background papers	<p><a href="#">The Wolf at the Door</a> How council tax debt collection is harming children By Lucy Capron and David Ayre, The Children's Society, March 2015</p> <p><a href="#">Keep on caring: supporting young people from care to independence</a> A cross-government strategy to transform support for young people leaving care, 7 July 2016</p>