

# Gloucester City Council

<b>Report to:</b>	<b>Cabinet</b>	<b>Date:</b>	<b>10 January 2024</b>
<b>Subject:</b>	<b>Council Tax Discount for Care Leavers</b>		
<b>Report Of:</b>	<b>Cabinet Member for Performance and Resources</b>		
<b>Wards Affected:</b>	<b>All</b>		
<b>Key Decision:</b>	<b>Yes</b>	<b>Budget/Policy Framework:</b>	<b>No</b>
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<b>Appendices:</b>	<b>1. Care Leavers Strategy – Keep on Caring</b>		
	<b>2. Council Tax Discount Scheme for Care Leavers</b>		

## FOR GENERAL RELEASE

### 1.0 Purpose of Report

- 1.1 Section 13A(1)(c) of the Local Government Finance Act 1992 gives the Council discretion to reduce the amount of council tax payable. This can be for individual cases or by determining a class of case.

This report proposes a change to the Council Tax Discount Scheme for Care Leavers approved by Cabinet on 6 February 2019. It is proposed to amend the definition of a care leaver to a young person between the ages of 18 and 24, residing in Gloucester.

### 2.0 Recommendations

- 2.1 Cabinet is asked to **RESOLVE** that:

- (1) the definition of a care leaver, for the purpose of the policy, be changed to the following:

*a young person aged 18–24 who was formerly a child in the care of Gloucestershire County Council or other local authority in England and then became a ‘Former Relevant Child’ as defined by The Children (Leaving Care) Act 2000. The Care Leaver must be resident and liable for council tax on a property in the Gloucester City Council area*

- (2) eligibility criteria be changed to the following:

*A Care Leaver must be aged 18–24 years old to qualify for a reduction under the Council Tax Discount Scheme for Care Leavers. A Care Leaver will cease to qualify for the discount from the date of their 25<sup>th</sup> birthday*

- (3) the changes approved at 2.1 (1) and 2.1 (2) above be implemented from 1 April 2024.

### **3.0 Background and Key Issues**

- 3.1 Section 13A of the Local Government Finance Act 1992 gives the Council discretionary powers to reduce the amount of council tax payable in individual cases or for classes of case. This includes reducing the amount payable to nil.
- 3.2 The government made recommendations in its care leavers strategy “Keep on Caring; Supporting Young People from Care to Independence” published in July 2016 that local authorities should consider exempting care leavers from council tax, using their existing discretionary powers under Section 13A.
- 3.3 A 2016 report by The Children’s Society found that when care leavers move into independent accommodation, they begin to manage their own budget fully for the first time. The report showed that care leavers can find this extremely challenging and with no family to support them and insufficient financial education, are falling into debt and financial difficulty.
- 3.4 In 2019 the six local authorities and Gloucestershire County Council worked together to provide a common council tax discount scheme for care leavers providing a consistent approach across Gloucestershire. On the 6 February 2019 Cabinet resolved that Care Leavers are determined as a class for the purpose of Section 13A(1)(c) of the Local Government Finance Act 1992, effective from 1 April 2019.
- 3.5 In May 2023 the Department of Education completed a review of Gloucestershire’s Care Leaver offer and following feedback the six local authorities and Gloucestershire County Council are working together on changes to the council tax discount scheme for care leavers which provides a consistent approach and better offer across the county. Cabinet is asked to approve a change to the definition of a care leaver and a change to eligibility criteria that will exempt care leavers in Gloucester City from council tax that were formerly a child in the care of Gloucestershire County Council or other local authority in England and are 18yrs to 24 yrs.
- 3.6 Any reduction awarded using this power must be funded by the billing authority. However, by agreement Gloucestershire County Council will fund its share of the cost of any care leaver discounts awarded
- 3.7 Under the Council Tax Discount Scheme for Care Leavers in 2022/23 the council awarded a discount to 37 care leavers aged between 18 and 21 years, a cost to the council of £5,400.

### **4.0 PROGRESS**

- 4.1 On 13 July 2023 Council resolved to consider the viability of extending the council tax exemption for care leavers from age 21-24 from the 2024-25 budget onwards.
- 4.2 The Council Tax Discount Scheme for Care Leavers detailed at Appendix 2 proposes discounts for Care Leavers between the ages of 18 and 24 residing in the

Gloucester City Council area, who were formerly in the care of Gloucestershire County Council or other local authority in England

- 4.3 The scheme will provide for a full exemption from council tax to be awarded where care leavers live alone and a 50% discount where they live with others
- 4.4 Some care leavers will already have their council tax liability reduced. The Care Leaver discount will be awarded after all other discounts, exemptions, and council tax support.
- 4.5 The full eligibility criteria and arrangements for administering the scheme are detailed in Appendix 2.
- 4.6 The relevant team at Gloucestershire County Council liaises with the Revenues team to ensure the necessary information is available to enable the Care Leaver discounts to be awarded.

## **5.0 Reasons for Recommendations**

- 5.1 The Council Tax Discount Scheme for Care Leavers provides for an exemption or discount from council tax for care leavers up to 21yrs. A change to the Scheme would see care leavers between the age of 22yrs to 24yrs also awarded an exemption or discount from council tax and will support them in making an effective social and financial transition from Local Authority care.
- 5.2 A change to the Council Tax Discount Scheme for Care Leavers will provide a better outcome for care leavers up to 24yrs and help to support a local offer that is consistent across the whole county.

## **6.0 Future Work and Conclusions**

- 6.1 The impact of these changes will be monitored.

## **7.0 Financial Implications**

- 7.1 The full cost of any council tax reduction awarded under Section 13A(1)(c) must be borne by the Council. However, by way of a local voluntary agreement, Gloucestershire County Council has agreed to fund its share of the cost of any Care Leaver discounts awarded. This Council will be required to fund its own and the Police share.

The cost of awarding care leaver discounts based on the above recommendations would depend both on the number of care leavers liable for Council Tax and their meeting the eligibility criteria. The cost of awarding discounts to care leavers between 22yrs and 24yrs is not known, but numbers are expected to be low.

## **8.0 Legal Implications**

- 8.1 Billing Authorities have discretion under Section 13A(1)(c) of the Local Government Finance Act 1992 to reduce the amount of Council Tax payable for individuals, or

for classes of council taxpayers. This includes the power to reduce the amount payable to nil.

## **9.0 Risk & Opportunity Management Implications**

9.1 If changes to the definition and eligibility criteria for care leavers in the Council Tax Discount Scheme for Care Leavers are not approved then Care Leavers living in Gloucester will not get the same level of support as in other areas of the County and could lead to a potential reputational risk for the local authority.

## **10.0 People Impact Assessment (PIA):**

10.1 This proposal is not detrimental to any groups with protected characteristics.

## **11.0 Other Corporate Implications**

Changes to the Care Leaver Discount scheme will provide support to vulnerable young adults between 22yrs and 24yrs.

11.1 Not applicable.

Sustainability

11.2 Not applicable

Staffing & Trade Union

11.3 Not applicable

**Background Documents:** None