

CABINET - 21 JANUARY 2020

PROPOSAL FOR COUNCIL TAX DISCOUNT SCHEME FOR CARE LEAVERS ACROSS OXFORDSHIRE DISTRICT COUNCILS AND OXFORDSHIRE COUNTY COUNCIL

Report by Hannah Farncombe Deputy Director Children's Social Care

RECOMMENDATIONS

- 1. Cabinet is asked to note the contents of a draft joint policy proposing to establish a joint Council Tax Discount Scheme for Care Leavers, and to request appropriate officers respond to it ahead of a final policy being taken to all Oxfordshire authorities' Executives for approval ahead of implementation on 1 April 2020;**
- 2. Cabinet is Recommended to approve that:**
 - (a) care Leavers are determined as a class for the purpose of Section 13A(1)(c) of The Local Government Finance Act 1992;**
 - (b) all Oxfordshire Authorities and Thames Valley Police implement the Council Tax Discount Scheme for Care Leavers from 1 April 2020;**
 - (c) all Oxfordshire Authorities and Thames Valley Police are signatories to a joint Memorandum of Understanding stating the joint commitment to the proposed scheme.**

Executive Summary

- 3. This report is a draft proposed policy on establishing a joint Council Tax Discount Scheme for Care Leavers across Oxfordshire. The scheme is proposed to establish care leavers as a class for the purpose of Section 13A(1)(c) of The Local Government Finance Act 1992 and reduce their liability for council tax payments to nil between the ages of 18-21. Further arrangements on a case-by-case basis up to the age of 25 are proposed within the draft policy. A joint Memorandum of Understanding is also proposed and a draft is attached at Annex 1.**

Background

- 4. The government made recommendations in its Care Leavers Strategy "Keep on Caring" published in July 2016, that local authorities should consider exempting care leavers from council tax, using their existing discretionary powers under Section 13a of the local Government Finance Act 1992.**
- 5. Many councils have since introduced discounts for care leavers, including Oxfordshire's neighbours, the six Gloucestershire district councils (billing**

authorities) and Gloucestershire County Council, who worked together to agree a common council tax discount scheme for Care Leavers from April 2019.

6. Oxfordshire County Council has worked to agree similar arrangements with Oxfordshire's five district councils and Thames Valley Police. This report is shared by all Oxfordshire council partners and will be used by each to request required approvals for the proposed scheme.
7. Discounts made using this power must be funded by the billing authority. Oxfordshire County Council and precept partners will accept their proportions of the financial liability, in the same proportions as the Council Tax Reduction Schemes (CTRS) that are already established in the five billing authorities: Oxford City Council, Cherwell District Council, West Oxfordshire District Council and South & Vale District Councils.

Key Issues

8. The proposed scheme will reduce any council tax liability to nil for those young people eligible.
9. The proposal is to implement the scheme jointly from 1 April 2020.
10. Care leavers aged 22-25 are proposed to be potentially eligible for council tax reduction under the proposed scheme, based on their individual circumstances and a letter of endorsement by their social worker/personal advisor.
11. Oxfordshire County Council remains responsible for supporting care leavers to access any council tax reductions they may be eligible for.
12. Oxfordshire County Council and precept partners will accept their proportions of the financial liability, in the same proportions as the Council Tax Reduction Schemes that are already established in the five billing authorities: Oxford City Council, Cherwell District Council, West Oxfordshire District Council and South Oxfordshire District Council and Vale of White Horse District Council.
13. As Thames Valley Police (TVP) is one of the major preceptors of council tax, the Police & Crime Commissioner has been approached and agreed to contribute proportionately to the cost of the proposed policy. The anticipated annual contribution is small but represents TVP's recognition of the needs of this vulnerable group and the importance of preventing homelessness.
14. Town and parish councils are also (minor) preceptors. As the financial impact of the policy on the major stakeholders is anticipated to be low, the expectation is that the impact on towns and parishes would be minimal. They have not been approached to contribute to the cost.

Equalities Implications

15. By its nature, the proposed policy addresses the disadvantage already existing to care leavers.
16. The policy is unable to guarantee that Oxfordshire's care leavers who are resident outside the county will be entitled to the equivalent discount in their local authority area. Oxfordshire County Council's Leaving Care Team will support these young people to access all their entitlements.

17. The policy will not apply to care leavers living in Oxfordshire, who are the statutory responsibility of other local authorities. Data on the numbers living in Oxfordshire is not available.

Risk Management

18. The risk of not agreeing the joint proposed scheme in time for the proposed implementation date of 1 April 2020 is a potential additional complexity in introducing the scheme midway through the financial year, rather than at the start. There is also potential reputational risk for any authority that has not approved the policy within the same timeframe as the others. Early programming-in of the proposed scheme to the authorities' Executives for formal decision is recommended to mitigate delays and therefore this risk.
19. Without confirmed accurate financial data from all authorities, there remains a minimal unquantified budgetary risk to authorities.
20. Failure to award the eligible discount could lead to a reputational risk for the authority(ies).

Legal Provision

21. 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 taxpayer. This includes the power to reduce the amount payable to nil.
22. This provision is separate to and distinct from the council tax support scheme which is made under Section 13A(1)(a) of the Local Government Finance Act 1992. It allows the council to reduce the amount payable after all statutory discounts and exemptions and local council tax support.

Eligibility Criteria

Oxfordshire County Council care leavers resident inside of Oxfordshire 18 - 21 year olds

- a) The care leaver discretionary discount will be awarded after statutory discounts, exemptions, disability discount and local council tax support have been applied. This will also include accounts where a care leaver is jointly and severally liable with others.
- b) The discount for care leavers aged 18-21 years old will ensure that any gap between their eligible discounts under their local authority's CTRS and the individual's liability for council tax will equate to 100% reduction, in all cases.

- c) A care leaver, for the purpose of this policy, is defined as a young person aged 18 – 21 who was formerly a child in the care of Oxfordshire County Council 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 within Oxfordshire.
- d) The care leaver must be the liable person for council tax, either solely or jointly and severally with other(s), at the dwelling in respect of which the application is made. The council tax bill must be in their name.
- e) Where a care leaver lives in a HMO or other property where they are not the council tax payer no discount will be awarded.
- f) The care leaver discount will apply to occupied properties only.
- g) Confirmation that a claimant is an Oxfordshire County Council Former Relevant Child must be received from Oxfordshire County Council's Leaving Care team.

22 - 25 year olds

- a) In the interests of young adults gradually progressing to full independence from 22 – 25 years of age, care leavers will be have no automatic discount applied additionally. However, where the individual's financial liability for council tax is judged to be difficult to manage due to their specific circumstances and/or vulnerabilities, a written endorsement by their personal advisor or social worker from Oxfordshire County Council, can be provided to justify the case for the S13A care leaver's discount to apply for the whole (or remainder) of that financial year.
- b) The discount will be subject to annual written statement and review, up to the individual's 25th birthday.

Oxfordshire County Council care leavers resident outside of Oxfordshire

- 23. It is proposed that where Oxfordshire care leavers are living outside the county, Oxfordshire County Council negotiates on a case-by-case basis for that individual's access to reductions or discounts. Advocating for the young person to gain complete reduction of council tax wherever possible has been implemented as standard practice within the personal advisor's role.

Application Process and Administration

- 24. Oxfordshire County Council's Leaving Care team will seek consent from care leavers to provide information confirming the name, address and date of birth of care leavers living in Oxfordshire who will qualify for the discount to billing authorities.

25. A care leaver discount may also be awarded where the following information is provided, and the care leaver status has been verified with Oxfordshire County Council's Leaving Care team.
- Full name;
 - Date of birth;
 - Current address;
 - Details of any other adults in the property and relationship to them;
 - Details of any circumstances that would be relevant to entitlement to legislative discounts, disregards or exemptions;
 - Contact details;
 - Name of Leaving Care personal advisor, if known.
26. Awards will be made directly by a discount in council tax liability and notification of the discount being awarded will be by way of the council tax bill.
27. The billing authority will undertake periodic reviews appropriate to the individual circumstances of each case.
28. The care leaver (or his/her appointee or a recognised third party acting on his/her behalf) must advise their billing authority of any change in circumstances which may affect entitlement to the discount within 21 days of the change occurring.
29. Any overpaid Care Leaver Discount will be reclaimed through the relevant council tax account and collected and recovered under the Council Tax (Administration and Enforcement) Regulations 1992.
30. It is Oxfordshire County Council's Leaving Care team's responsibility to support individual care leavers to access all their council tax reduction entitlements, with their consent.

Financial Implications for Billing Authorities

31. Local authorities are required to fund any section 13A discounts in full, however by local agreement Oxfordshire County Council commits to contribute to their share of discounts.
32. The cost of awarding care leaver discounts would depend both on the number of care leavers liable for council tax and their meeting the eligibility criteria.
33. The total indicative costs of the proposed scheme on Oxfordshire authorities will naturally vary from district to district.
34. At this stage only estimated data exists on how many care leavers might be expected to qualify for a discount. Although Oxfordshire County Council is currently responsible for over 400 care leavers, the proportion who are liable for council tax living in the county is low, due to:

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- the range of placements which do not entail CT liability: family/friends; 'staying put' with foster carers; supported housing schemes; renting from landlords who are liable;
- their education, employment or training status which exempts them;
- having moved out of county.

35. An indicative estimate of the financial implication of this policy is shown below, based solely on council tax data and information shared by the district councils for 2018/19.

36. These figures are based on gross liability without any additional statutory discounts and/or exemptions and Council Tax Support which may be applicable. It is dependent on which band(s) of property the potential qualifying cases will be resident in as to how much it might cost the relevant district and Oxfordshire County Council. The financial impact is therefore expected to be minimal.

District	No. of Young People Liable for CT	CT post CTS awarded 2019/2020	County Liability	District Liability	Police	Town/Parish
SODC	9	£4,682.85	£3,652.62	£280.97	£515.11	£234.14
VOWH	7	£5,427.34	£4,233.33	£379.91	£597.01	£217.09
Cherwell DC	7	£913.26	£696.82	£61.19	£97.72	£54.80
WODC	5	£709.81	£561.36	£37.98	£78.84	£31.63
Oxford City	Est 8	£15,908.40 (max)	£11,756.31	£2,513.53	£1,654.47	£0.00
TOTAL	36	£27,641.66	£20,900.44	£3,273.58	£2,943.15	£537.66

i) Oxford City: Based on 5% having a liability taken from a random sample of 15% of the cohort of 160 YP. Calculated on band D.

ii) CT post-CTS awarded: assumed as liable for 100% of band D, but in practice are likely to be eligible for partial discount, which would bring this figure down.

iii) See Annex 1 for estimated split of council tax liability among authorities and preceptors.

37. Oxford City Council has a 100% liability for its Council Tax Reduction (CTR) Scheme. As such when young people/care leavers apply for financial assistance they have the whole liability included in their entitlement when determining their entitlement. As CTR is a means-tested benefit, there are instances when young people have income which is above the level which the government states that they need to live on. These people, which will be about 5% of Oxford City's caseload, need to make a contribution to their council tax charge from their income. The Care Leavers Discount will apply to this contribution.

38. Following a review of random case samples which was undertaken earlier this financial year by Oxford City Council, 95% of the cases it reviewed had 100% of their CTR liability paid, resulting in a zero bill. Not all young people in Oxford city's boundaries had a council tax charge as they were living with other adults in the home or there was no charge to be paid as the property was a house in multiple occupation of which the landlord is the liable party.

Budgetary Implications

39. Budgetary implications are anticipated to be low, based on the financial data provided currently by the district councils (which is indicative and based on a 'snapshot' of the current council tax records). This is because most young people who would be eligible for the proposed new scheme of discount, are already receiving reductions, sometimes of 100%, to their council tax liability.
40. The estimated cost to the county council has been built in to the budget for Children, Education & Families, from April 2020.

Review of Decision / Backdating

41. The Care Leaver Discount Scheme is administered in accordance with the Local Government Finance Act 1992 and is subject to a statutory appeals process. If the applicant disagrees with the decision, they must put this in writing giving their reasons. This should normally be received by the billing authority within a month of the date of the decision although more time can be given in exceptional circumstances.
42. If a decision is challenged a reconsideration will be made by the billing authority. The applicant will then be notified of the reconsideration which will clearly state the reasons for the decision made.
43. If the applicant remains dissatisfied with the decision, an appeal may be made to the independent Valuation Tribunal. Further details on this process will be notified to the applicant with the outcome of any previous review of the decision.
44. The billing authority will accept applications backdated to the beginning of the financial year, or to the date the care leaver became responsible for council tax so long as the date is not more than 12 months prior to the date of the application. The Care Leaver Discount cannot be awarded prior to 1 April 2020.

Communications

45. All Oxfordshire authorities are aware of and are agreed in principle to a proposed care leavers' discount across Oxfordshire.

Key Dates

46. Key dates for each authority will depend on their own processes for obtaining Executive decision to implement the policy. Implementation is proposed from 1 April 2020.

Joint Working

47. Working in partnership, revenue collection and benefits teams have identified and additional opportunities for further partnership working, including providing

information and advice to care leavers and support to Looked After Children using a more joined-up approach.

Sustainability Implications (Environmental Impacts – Reducing our Climate Impact)

48. There are no sustainability implications in the policy, or the operation/administration of the policy.

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