

GWYNEDD COUNCIL CABINET



Report to a meeting of Gwynedd Council's Cabinet

Meeting Date: 31 July 2018

Cabinet Members: Councillor Peredur Jenkins / Councillor Dilwyn Morgan

Contact Officer: Dafydd Edwards, Head of Finance

Contact Number: 34668

Item Title: Discretionary Relief from Council Tax for Young People Leaving Care

DECISION SOUGHT

Pursuant to the Council's powers under Section 13A(1)(c) of the Local Government Finance Act 1992, to allow full exception from paying Council Tax to young persons leaving care until they are 25 years old, after other discounts, exceptions and/or Council Tax Reduction to which they are already entitled have been taken into consideration.

REASON WHY DECISION IS NEEDED

1. Section 13A(1)(c) of the Local Government Finance Act 1992 gives billing authorities such as Gwynedd Council a general discretionary power to reduce liability for Council Tax in relation to any person, or group of persons, in addition to any relevant national discounts and exemptions that may apply.
2. Section 67 of the 1992 Act lists those Sections that can only be resolved by the Full Council. Since Section 13A(1)(c) does not appear on this list, the decision to allow a relief under this Section can be made by the Cabinet.
3. Over the last year, many billing authorities in Wales have resolved to allow full exception from paying Council Tax to young persons leaving care (some until the person is 21 years old, others until the person is 25). This has followed several reports and campaigns (for example, by the Children's Society), which have identified a range of disadvantages that care leavers uniquely experience and their vulnerability in respect of Council Tax debt.
4. The Corporate Parenting Panel considered this matter at its meeting in April 2018. It was noted in the meeting that this matter has been a focus for the Children's Commissioner for Wales following her report 'Hidden ambitions' in order to ensure that care leavers are not falling into Council Tax debt whilst establishing themselves independently as young adults. The Panel agreed to support the request that the Cabinet allows such a relief.

REASON AND JUSTIFICATION BEHIND THE DECISION

5. A young people's transition out of care and into adulthood is extremely difficult and managing money for the first time without support from family leaves care leavers at real risk of falling into debt.
6. The Council has a responsibility as a Corporate Parent to support young people in its care. 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.
7. The Council accepts its role as a responsible corporate parent and seeks to further support those young people who have left care to be able to live independently as adults. One action that could be taken is to provide discretionary relief from Council Tax for care leavers. The proposed scheme would reduce to zero the amount of council tax a care leaver pays so that Council Tax due to Gwynedd Council (and to precepting authorities – the Police and Crime Commissioner and community councils) should not become a problem debt for them.
8. The principles of the proposed Care Leavers Relief scheme are as follows:
 - The young person is a care leaver and is between the ages of 18 and 25 and is not exempt on any other basis;
 - It is expected that a "care leaver" in this context means a young person who is within Categories 3 (care leaver aged 18 or over) or 4 (young person who reconnects to care for education or training purposes) as defined by Section 104 of the Social Services and Well-being (Wales) Act 2016 or, if they are aged between 21 and 25 years old, they were within Category 3 or 4 when they became 21 years old.
 - Where a Gwynedd care leaver moves out of the Council's area the relief can be claimed again should they return before their 25th birthday.
9. The relief will operate as follows:
 - The relief will apply to residents for whom a Local Authority has held corporate parenting responsibility at the point at which the young person left care;
 - The 'care leaver' resides and is liable to pay Council Tax in Gwynedd;
 - The level of relief applied will be 100% of residual council tax liability **after** taking account of any other discounts/exemptions and Council Tax Reduction (CTR) to which the resident, or household, may be entitled;
 - Where a care leaver resides with another person and they are joint and severally liable, relief will be awarded at a 50% rate (25% personal element for the care leaver and 25% element against the property). In the event the non care leaver fails to discharge their liability this will not attach to the care leaver by way of joint and several liability;
 - The relief would be awarded against any council tax liability arising from 1st April 2018 and the Council will have discretion to backdate future awards to 1st April 2018;
 - The relief will not be means tested or responsive to the individual circumstances of the 'care leaver' if they are between the ages of 18 to 25;

10. The Council will not be reimbursed by Welsh Government for the income foregone. However, if funding were to be made available by Welsh Government in future, the Finance Department will prepare and submit claim under any such scheme.
11. The scheme will be administered by the Council's Finance Department who will work with the Children and Supporting Families Department to develop processes that will make it as easy as possible for care leavers to access this relief. For young people leaving care in Gwynedd, the process should be seamless and invisible, with Children's Services automatically registering care leavers with the Finance Department for the relief. However, it is expected that Children's Service will support all care leavers in applications for the discounts, exemptions and Council Tax Reduction to which the care leaver is entitled.
12. For those individuals living in Gwynedd but leaving another council's care, the Council will attempt to make the application process for the relief as simple as possible.
13. On the basis of the calculations made by the Finance Department, the cost of allowing this relief would be no more than £20,000 per annum and is likely to cost less than this. The cost of the scheme would be borne entirely by the Gwynedd's Council Tax collection fund.

NEXT STEPS & TIMETABLE

14. If the Cabinet resolves to allow the discretionary relief, the policy that will be established will be applied for the whole of the financial year starting on 1 April 2018, and amended bills will be sent to the relevant persons.

ANY CONSULTATIONS UNDERTAKEN PRIOR TO MAKING THE DECISION

Corporate Parenting Panel

15. The matter was discussed by the Corporate Parenting Panel in April 2018, which resolved to request that the Cabinet award this discretionary relief to care leavers.

Equality Impact Assessment

16. As with all the far-reaching decisions, the Council must give due consideration to its statutory duties to carry out equality impact assessments under the Equality Act 2010 and the Welsh Public Sector Equality Duties 2011 and to all other relevant considerations.
17. An Equality Impact Assessment was carried out in accordance with the statutory requirements on the Council. Since this relief affects only a small number of individuals with very specific characteristics, we do not believe that there are specific equality issues that need to be brought to the attention of the Cabinet when considering this issue.

Welfare of Future Generations (Wales) Act 2015

18. There is a duty to act in accordance with the sustainable development principle, which is to try to ensure that the needs of the present are met without compromising the ability of future generations to meet their needs. When acting in accordance with this general duty the Council needs to consider the importance of the long term impact, being integrated and inclusive, collaboration and prevention in developing the proposal.

19. The benefits to Gwynedd residents from supporting care leavers to gain a sound financial footing, empowering them to have access to and sustaining a home are clear. If all other Council Tax discounts are assessed, the cost to Gwynedd Taxpayers will be proportionately small whilst the impact to the individuals will be significant and the wider benefit to society will become apparent over time.

Opinion of Local Member

Not a local member.

Opinion of Statutory Officers

Monitoring Officer:

No comments from the perspective of propriety.

Head of Finance:

I have collaborated with the Cabinet Members in the preparation of this report and I confirm the content.