

CLLR JANETTE WILLIAMSON	CABINET MEMBER DECISION
CABINET MEMBER –	12 OCTOBER 2017
FINANCE & INCOME GENERATION	COUNCIL TAX DISCRETIONARY DISCOUNT FOR CARE LEAVERS

REPORT SUMMARY

This report seeks approval to provide a discount of up to 100% of the net Council Tax payable by care leavers who live on Wirral and who are aged between 18 and up to 25 (to the date of their 25th birthday). The discount will be granted after all other discounts have been awarded and where there is a shared liability for Council Tax the award will only be paid to the share payable by the care leaver.

The discount is awarded in accordance with Section 13A(1)(c) Local Government Act 1992. It is proposed that the Discount is awarded from 1 April 2018 and will be funded by the Council and Precepting authorities.

This report is not a Key Decision but could apply to individuals in all wards.

RECOMMENDATIONS

- 1 From 1 April 2018 Wirral care leavers who are aged 18 and up to 25 (to their 25th birthday) are awarded a discount up to 100% on their Council Tax payable.
2. The discount is awarded in accordance with Section 13A(1)(c) of the Local Government Act 1992.
- 3 The discount for Wirral care leavers be incorporated within the updated Council's Discretionary Discount Guidance (attached) and approved.

SUPPORTING INFORMATION

1.0 REASON FOR RECOMMENDATIONS

- 1.1 A report from the Children's Society (The Wolf at the Door) suggests that care leavers are a particularly vulnerable group where debt is concerned. The Council has the ability to support care leavers and award a local discount alleviating Council Tax debt. This fits with the Wirral Plan and aims and objectives and particularly Pledge 3 Young people are ready for work and adulthood and Pledge 5 Reduce child and family poverty

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The alternative is to retain the current approach and not provide the discount.

3.0 BACKGROUND

- 3.1 The Council recognises that the transition of young people out of care and into adulthood is extremely difficult and challenging. Managing money for the first time leaves care leavers at real risk of falling into debt. One of the ways the Council can alleviate that risk is to support those young people leaving their care by reducing their Council Tax liability to nil, until they are 25.
- 3.2 The Council has the power contained within Section 13A(1)(c) of the Local Government Act 1992 to reduce liability for Council Tax in relation to individual cases or classes of cases that it may determine. The Council already has a Discretionary scheme and awards relief to a Women's Refuge under this legislation.
- 3.3 There are financial implications in awarding discounts under this legislation and the costs are borne in full by the Council and Preceptors. It is proposed that this award covers care leavers between the age of 18 and until the day they become 25.
- 3.4 It is intended that the award is made without the completion of an application form and based upon information supplied by Children's Services. The award will reduce the care leaver's individual liability to £nil and will be awarded after all other discounts / reliefs. The Local Council Tax Support Scheme exists to ensure those on low income receive financial assistance with their Council Tax and care leavers will be encouraged to make an application. If, during the year, there is an amendment in the care leaver's liability the award will be amended to reduce the liability to £nil.
- 3.5 The Care Leavers discount has been added to the Council's existing Discretionary Scheme and the opportunity has been taken to update this scheme and the amended version is attached as shown in the Appendix.

3.6 In Wirral there are currently 417 care leavers of whom 236 are between the ages of 18 and 25 with 60 classed as living independently.

4.0 FINANCIAL IMPLICATIONS

4.1 The total cost of the scheme cannot be determined precisely as the number of care leavers who would continue to reside in the Wirral is unknown as is the amount of discounts or reliefs they would be entitled to. Taking these uncertainties into consideration the relief is expected to cost the Council approximately £34,000 with Preceptors contributing £6,000 a total of £40,000.

5.0 LEGAL IMPLICATIONS

5.1 The discount is awarded in accordance with Section 13A(1)(c) Local Government Act 1992, which enables to Council to reduce liability for Council Tax in relation to individual cases or classes of cases that it may determine.

6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

6.1 There are no ICT, Staffing or Asset implications arising from this report.

7.0 RELEVANT RISKS

7.1 Adoption of this discount will support young people leaving Wirral care and who could find themselves in debt without this level of support.

8.0 ENGAGEMENT/CONSULTATION

8.1 There has been no engagement or consultation undertaken.

9.0 EQUALITY IMPLICATIONS

9.1 The Equality Impact Assessment link for Council Tax Care Leaver's Relief is shown; <http://www.wirral.gov.uk/my-services/community-and-living/equality-diversitycohesion/equality-impact-assessments/eias-2010/finance>

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APPENDIX

Council Tax - Section 13A Discretionary Discount Guidance

REFERENCE MATERIAL

Local Government Finance Act 1992
Children's Society "Wolf from the door."

SUBJECT HISTORY

Council Meeting	Date



Wirral Council

Council Tax

Section 13A

Discretionary Discount Guidance

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Wirral Borough Council

Council Tax Discretionary Relief Guidance 2018/19

1. General Provisions

- 1.1 The Council has power under S13A of the Local Government and Finance Act (LGFA) 1992 (as amended) to reduce the Council Tax charge on any chargeable property in the borough for any day. This power can be exercised in relation to any individual case or by determining a class of case for which the charge should be reduced.
- 1.2 The amount of any successful award may reduce a Council Tax charge to nil, including reducing any balance left payable after any Council Tax Support, Discounts and Exemptions have previously been granted to the applicant. The discretionary relief awarded will be from a cash limited fund set by the authority.
- 1.3 Any application made under S13A provisions must be a last resort following the exploration of any other entitlement such as Council Tax Support, Discounts and Exemptions.
- 1.4 There must be extreme, exceptional circumstances to justify any request for a reduction and the Council will only consider granting short term assistance, and not reduce Council Tax liability indefinitely.
- 1.5 Each case will be considered on its own merits. Applications potentially relating to the determination of a class of property will be given to Members for consideration.
- 1.6 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 on the local taxpayer. Any such schemes that are introduced, in so far as they fall to be administered under Section 13A of the LGFA 1992 (as amended) will be

administered in accordance with instructions and guidance set out by Government.

- 1.7 These guidelines set out the manner in which the Council will receive and consider applications for Discretionary Council Tax relief.

2. Application Process

- 2.1 An application for a discretionary award shall be made in writing, written or by email, by the Council Tax payer or by somebody authorised to act on their behalf. A form is available on line at <http://www.wirral.gov.uk/council-tax/problems-paying-your-council-tax>

2.2 Where

- the Council has made a determination under s13A (1) (c) in relation to a class of case in which the liability for council tax has been reduced, and
- a person in that class would otherwise be entitled to a reduction under its scheme,

that person's application for a reduction under the Council's local council tax scheme will also be treated as an application under S13A (1) (c).

2.3 Applications must be accompanied by:

- the name, address and payment reference number of the applicant;
- a full explanation as to why the relief is claimed;
- details of any hardship, including a full financial statement of income and expenditure, or personal and household circumstances relating to the application;
- the period for which relief is requested.

3. Criteria for Considering Relief

- 3.1 There are no pre-set criteria of the award of a Section 13A Council Tax discount. Each application will be considered on its individual merits on a case by case

basis or for several taxpayers who may fall into a group due to similar circumstances.

3.2 The features of the Councils Section 13A Discount Guidance 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

3.3 The Council may consider in determining whether to grant relief:

- whether an application has been made for Council Tax Support or a Council Tax Discount or Exemption, and if so all evidence has been received in order to determine those claims;
- whether, in the case of a corresponding claim for Housing Benefit, consideration has been given to a Discretionary Housing Payment where applicable;
- the circumstances on which the application is based including evidence of the financial hardship incurred by the applicant, details how this is affecting their personal circumstances and this would justify a reduction in their Council Tax charge;
- whether the hardship experienced by the applicant is outside their control, for example due to a flood, storm damage, explosion or 'major incident' which forces them out of their property;
- what reasonable steps have been taken by the applicant or household member to resolve their situation prior to the application;
- the likelihood of the circumstances of the applicant or household member improving;
- whether in the case of an apparent incident of isolated hardship, to sign post the applicant to other sources of support which may be more appropriate as an alternative or to supplement the consideration of relief;
- whether the applicant or household member has access to other assets which could be accessed to help pay Council Tax;
- whether any outstanding debt is unpaid as a result of the wilful refusal or culpable neglect of the applicant to make payment;

- if there are sufficient resources available to make a reduction in Council Tax;
- whether any award would be reasonable having regard to the interests of other council tax payers;

3.4 Alternative available assistance may be provided to applicants where it is considered appropriate.

3.5 Failure to provide information requested to support an application without sufficient reason, within any timescale set, will result in it being considered without that information.

3.6 Only in exceptional circumstances, for example where an applicant has just received an account due to late billing beyond their control, will consideration be given to granting relief for a financial year prior to that in which the application is made.

4 Delegated Decision Making Process for applications

4.1 The Section 151 Officer is authorised to make a determination on discretionary relief applications in individual cases of exceptional financial hardship. This will be done by consideration of applications under £1,500 delegated to the Revenues Senior Manager or the Benefits Senior Manager, those over £1,500 will be delegated to the Head of Customer Service.

4.2 Appeals against these decisions will be considered by the Head of Customer Service, up to £1,500, or by the Senior Manager - Income Strategy & Policy for those over £1,500.

4.3 Applications for Council Tax Discretionary Relief relating to a wider determination of class of case will continue be submitted to Cabinet by the Section 151 Officer.

4.4 Annexe 1 details classes of cases which may be entitled to a reduction under Section 13A.

5 Period of Relief

- 5.1 Both the amount and duration of the award are determined at the discretion of the Council, and will be done so on the basis of the evidence supplied and the circumstances of each claim. In any event, the maximum length of the award will be the sooner of:
- a. The end of the financial year
 - b. The tax payer moved
 - c. The tax payers financial circumstances change
- 5.2 Only in exceptional circumstances, for example where an applicant has just received an account due to late billing beyond their control, will relief be considered in respect of a financial year prior to which the application is made.

6 Notification of Decision

- 6.1 The Council will aim to notify the applicant of its decision within 14 days of receiving sufficient information to make a decision.
- 6.2 Any change of circumstances relating to the application must be notified to the Council within 14 days.
- 6.3 The council reserves the right to cancel an award where it deems it appropriate upon the receipt of additional information.

7 Review of Decisions

- 7.1 The Local Government Finance Act 1992 provides no right of appeal against the Council's use of discretionary powers. However, in the interests of transparency, the Council will provide a process for reviewing decisions where discretionary relief has not been granted. However a review will only be conducted if the applicant's circumstances have changed and they can provide sufficient new evidence to support their application.

7.2 The applicant must put their case in writing, giving the reason(s) why they consider the original decision should be overturned, to Senior Manager - Income Strategy & Policy requesting a review of the decision. They must do this within 28 days of the date of the original decision, and provide additional evidence to support their request.

7.3 Each application review will be considered on its own merits.

7.4 The Council will then decide whether the applicant has provided any additional information against the required criteria that could justify a change to its decision.

7.5 Any subsequent legal decision to allow discretionary decisions to be subject to appeal to the Valuation Tribunal Service will be addressed in accordance with procedures laid down.

8. Notification of Decisions on Reviews

8.1 The Council will aim to notify an applicant, setting out the reason for its decision, within eight weeks of receiving the appeal.

9. Fraudulent Claims

9.1. The Council reserves the right to withdraw any award for relief where, following a decision, it becomes aware that this has been made as a result of a false or fraudulent claim.

Annexe 1

Detailed below are classes of case which may be entitled to a reduction in Council Tax in accordance with Section 13A

Discretionary Relief for Care Leavers

1. The Council will reduce to nil the Council Tax liability for care leavers who satisfy all of the following criteria:
 - a) The person is a former relevant care leaver as identified within the Children (Leaving Care) Act 2000.
 - b) The person is someone for whom Wirral Council has acted previously as a corporate parent.
 - c) The person has left care and is aged between 18 and 25.
 - d) The person resides within Wirral and is liable to pay Council Tax to Wirral Council with effect from 1 April 2018.

2. Any award given to an individual case with end on the day before their 25th birthday.

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 person sole or main residence.

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 has been awarded.

5. Any award will be automatically granted.

6. The care leaver must notify the Council of changes to their circumstances during the period of the award. Such a change may be taken into consideration.