COUNCIL TAX EXEMPTION FOR CARE LEAVERS

Purpose

1. This report provides sets an initiative that is starting to have significant political momentum and has been adopted by a number of authorities in England and Scotland.

Background

2. The matter was raised by the Cabinet Secretary for Communities & Children in correspondence with the WLGA Chief Executive earlier in the year around the announcement of an additional £1m funding in his St Davids Day announcement. This was to prepare care leavers aged 16 to 25 for more independent living. The initiative is also supported by the Children’s Commissioner for Wales, Sally Holland, who in her *Hidden Ambitions* report stated that young people leaving care should be given priority in work by the Welsh Government to see what can be done to make council tax fairer.

3. All local authorities in Scotland and 33 authorities in the England are now providing council tax exemptions for care leavers which . In Wales around 700

Issues

4. Young people leaving care or care leavers are defined as young people who are entitled for support as a care leaver if they have been looked after for at least 13 weeks since the age of 14, and were in care on their 16th birthday. When a person leaves care to live independently they are termed ‘care leavers’. In many cases they take on tenancies and become liable for rent and council tax. The only assistance available, provided they are over 18 is to claim the associated benefit namely: Jobseekers allowance / Universal Credit and Council Tax Reduction/Support.

5. Anyone facing difficulty in paying their council tax bill would find themselves being subjected to recovery and enforcement action. Local Authorities are potentially able to assist in cases of hardship by virtue of their S.13A Discretionary Policy.

6. A reduction under Section 13A of the Local Government Finance Act 1992, or Section 13A as it is more often known, was initially introduced in England &
Wales by way of Section 76 of the Local Government Act 2003. All Local Authorities must implement a Section 13A scheme through which any person can make a request for an amount of Council Tax to be reduced or written off. It should be noted that the local authority does not have to grant any requests but they must have a system in place to allow a person to make the request. The Local Authority has to make a judgement call as to whether the outstanding balance should be reduced or written off. The amounts written off under this section are usually quite nominal.

**Action taken across the UK**

7. In England, Barnados report around 10,000 children leave care each year and enter independent living. They note that the support available to them is not always satisfactory and is often inconsistent, with many care leavers not knowing what support is available. The Children’s Society have reported widely on the financial vulnerability of care leavers. As a result, they have been working with councils in England to encourage them to exempt care leavers from paying council tax. Initial investigations have found that there are now 37 councils in England offering exemptions although these can vary between councils.

8. In Scotland, the First Minister, Nicola Sturgeon, announced to the SNP Conference on Tuesday 10 October that an exemption will apply for the whole of Scotland. The Scottish Government expect around 6-7,000 people to qualify for the exemption. The Children’s Society, said: “We’ve been campaigning for all care leavers to be exempt from council tax so we are delighted to hear that this exemption will be introduced in Scotland.

9. In Wales, Torfaen Council recently announced (17 October) that they had full agreement to exempt all care leavers from Council Tax up to the age of 21 from April 2018. They expect around 30 care leavers to benefit from this exemption.

10. The BBC contacted all Welsh LA’s as a result of this story and out of 14 responses 13 said they did not have such exemptions but Gwynedd reported they were considering such a scheme.

11. Further enquiries in Wales have shown that some are interested and would be exploring further whilst also noting that they would be inclined to use S.13a ‘favorably’ in these cases.
Recommendations

12. Members are asked to:

8.1 Note and comment on the report and agree:

- To raise this within their own authorities

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