

REPORT TO EXECUTIVE

Date of Meeting: 3 October 2023

REPORT TO COUNCIL

Date of Meeting: 17 October 2023

Report of: Director Finance

Title: Consultation of the local Council Tax Support Scheme for 2024-25

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

This report seeks members' agreement to carry out consultation on a proposed change to the local Council Tax Support Scheme for working age for 2024-25. The proposed change being to create a class of support within the scheme to award 100% council tax support to care leavers looked after by Devon County Council, up to age 25.

2. Recommendations:

That Executive RECOMMENDS to Council that agreement be given to carry out public consultation on the proposed change to the local Council Tax Support Scheme for working age for 2024-25 to introduce a class within the scheme to award 100% council tax support to care leavers looked after by Devon County Council, up to age 25.

3. Reasons for the recommendation:

3.1 Executive agreed at the meeting of 5 September 2023 to recommend to Council that agreement in principle be given for a council tax exemption for care leavers up to the age of 25 and looked after by Devon County Council, subject to a further report setting out all the implications including the financial impact on Exeter City Council.

3.2 This report sets out the options for achieving a council tax exemption and potential financial impact on Exeter City Council and highlights from a funding perspective why the Council may prefer to award this support through the local working age council tax support scheme.

3.3 Each year the Council is required to review and agree the working age council tax support scheme by 11 March of the preceding financial year. Any changes to the scheme are subject to public consultation.

4. What are the resource implications including non financial resources

4.1 Because, in England, care leavers are not exempt in legislation from paying council tax, to be able to exempt care leavers from paying council tax the Council needs to utilise either its' discretionary powers under Section 13A (1) (c) of the Local Government Finance Act 1992 (as amended) or create a class of support within its' local Council Tax Support Scheme for working age.

4.2 Section 13A (1) (c) of the Local Government Finance Act 1992 (as amended) gives the Council discretionary powers to reduce the amount of Council Tax payable by an individual.

4.3 Devon County Council has confirmed that there are 161 care leavers aged 18 – 24 living in Exeter. Our records show that 50 have a council tax liability. Of those 50, 35 are currently getting council tax support (CTS) up to a maximum of 80% of their liability, 12 are not getting any council tax support and 3 already qualify for a council tax exemption so have nothing to pay.

4.4 So if awards were to be made under S13A (1) (c) after national discounts and after any entitlement to council tax support had been applied, then this would cost £24,836 per annum. Making awards under S13A (1) (c) is a general fund expense and so met solely by Exeter City Council.

4.5 If a class of support for care leavers is created within the Council's local Council Tax Scheme for working age however, that annual cost of £24,836 would be shared between preceptors as follows:

Preceptor	%	
Devon County Council	75.38%	£18,721
Exeter City Council	8.08%	£2,007
Police & Crime Commissioner for Devon & Cornwall	12.07%	£2,998
Devon & Somerset Fire & Rescue Authority	4.47%	£1,110

5. Section 151 Officer comments:

5.1 Officers have been working to introduce a support for Care Leavers across Devon. The proposed scheme will allow the costs to be shared in line with the Council Tax take from each Preceptor. The potential costs of the scheme if all were to fall on Exeter would be around £25,000. However, to implement that discount would be extremely resource intensive causing challenges for the team. The cost before Council Tax Support is applied would be in the region of £60,000 a year and would require appropriate reductions. Implementing the scheme as proposed brings the costs down to a more manageable £2,000 a year.

6. What are the legal aspects?

6.1 The relevant legislation enabling the Council to introduce a class of support into its' Council Tax Support Scheme is set out in Section 13A (2) (b) of the Local Government Finance Act 1992, as amended by the Local Government Finance Act 2012, and states the following:

(2) Each billing authority in England must make a scheme specifying the reductions which are to apply to amounts of council tax payable, in respect of dwellings situation in its area, by-

(b) persons in classes consisting of persons whom the authority considers to be, in general, in financial need.

6.2 In year scheme revisions are not allowed.

6.3 Authorities need to comply with the public sector equality duty in section 149 of the Equality Act 2010 when setting up or changing a local scheme.

6.4 The vulnerable must be protected (being mindful of the Child Poverty Act 2010, the Disabled Persons Act 1986, the Chronically Sick and Disabled Persons Act 1970 and the Housing Act 1996).

6.5 Authorities are required to consult on the scheme with the major precepting authorities before a scheme is designed, and to then consult with the public and other agents once the scheme has been established.

6.6 All local authorities must have a robust scheme as the whole scheme could be open to challenge.

6.7 Where consultation is carried out, it needs to be carried out properly and genuine consideration given to the responses.

7. Monitoring Officer's comments:

This report raises no issues for the Monitoring Officer.

8. Report details:

8.1 There is an ambition between Devon County Council and the district authorities to achieve a council tax exemption for care leavers looked after by Devon County Council up to their 25th birthday.

8.2 Care leavers face the challenge of having to cope with the demands of living on their own at a young age including having to maintain a home and manage finances, without support from family, and in Exeter they are a particularly vulnerable group for Council Tax debt. Discussions have been ongoing about how to financially support care leavers whilst they develop independent lives and life skills.

8.3 Section 13A (1) (c) of the Local Government Finance Act 1992 gives the Council discretionary powers to reduce the amount of Council Tax payable by an individual, however when utilising those powers, any cost incurred has to be met solely by the Council.

8.4 Section 13A (2) (b) of the Local Government Finance Act 1992 relates to an authority's council tax reduction scheme, known in Exeter as the Council Tax Support Scheme, and gives the Council the ability to state within their local scheme the reduction that applies to persons in classes consisting of persons whom the authority considers to be, in general, in financial need. Therefore if the Council considers care leavers to be a class, in general, in financial need, then the Council can specify within their scheme the

level of support that will apply. As Council Tax Support is funded through the Council Tax Base, the costs are shared in proportion with the amount the preceptors receive. The proportions are as follows:

Preceptor	%
Devon County Council	75.38%
Exeter City Council	8.08%
Police & Crime Commissioner for Devon & Cornwall	12.07%
Devon & Somerset Fire & Rescue Authority	4.47%

8.5 Council Tax Support (CTS) was introduced from 1 April 2013. It is a means-tested reduction for council tax payers who are on low incomes. It replaced the previous national Council Tax Benefit Scheme. For working age applicants the scheme is determined by local policy and for pension age applicants it is a national scheme subject to prescribed legislation.

8.6 Potential timetable for implementation, if agreed:

Write to preceptors	4 October 2023
Council meeting	17 October 2023
Public consultation start date	19 October 2023
Public consultation closure date (6 weeks later)	30 November 2023
Executive meeting	6 February 2024
Final scheme to be adopted by Full Council on	20 February 2024
Implementation start date	1 April 2024

9. How does the decision contribute to the Council's Corporate Plan?

This decision will contribute to the aspirations of the Exeter Vision 2040.

10. What risks are there and how can they be reduced?

There are no perceived risks with this request as it is only to consult on a proposed change.

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 The proposal to award 100% council tax support is recommended to advance equality by removing disadvantage. The national statutory guidance on the application of the corporate parenting principles states that there are unique challenges that looked-after children and care leavers face. 60% of children become looked-after due to abuse or neglect and they have poorer educational and health outcomes than their peers. It further states that application of the principles is intended to ensure that all councils respond to the individual needs, vulnerabilities or disadvantages of looked after children and care leavers as this will assist in securing that such children and young people are not placed at significant disadvantage when compared with the support a non-looked after child or young person may receive from their family.

11.5 As this report is only seeking members' agreement to carry out consultation on a proposed change to the local Council Tax Support Scheme for working age for 2024-25 an equality impact assessment is not included. Members will then have the opportunity to consider the outcome of the consultation together with consideration of the equality impact assessment before agreeing the final scheme.

12. Carbon Footprint (Environmental) Implications:

No direct carbon/environmental impacts arising from the recommendations.

13. Are there any other options?

Alternatively Members can agree to support to care leavers via their discretionary powers. Based on current data, this would cost the council £24,836 per annum.

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Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

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