

REPORT TO EXECUTIVE

Date of Meeting: 6 February 2024

REPORT TO COUNCIL

Date of Meeting: 20 February 2024

Report of: Director Finance

Title: 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 Member's agreement on the Local Council Tax Support (CTS) scheme for working age residents for 2024-25.

Members are required to agree working age scheme rules annually.

2. Recommendations:

That Executive RECOMMENDS to Council that the scheme in place for the current year continues for 2024-25 with the addition of 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.

3. Reasons for the recommendation:

3.1 At the meeting of 17 October 2023, Council gave in principle agreement for a council tax exemption for care leavers and to carry out public consultation on a 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.

3.2 Introducing a class within the local Council Tax Support Scheme for care leavers will allow the costs to be shared in line with the Council Tax take from each Preceptor. Whereas if the Council was to use its' discretionary powers under Section 13A (1) (c) of the Local Government Finance Act 1992 (as amended) to provide this support, this would be a general fund expense and so met solely by Exeter City Council.

3.3 Devon County Council, Police & Crime Commissioner for Devon & Cornwall and Devon & Somerset Fire & Rescue Authority have all formally notified that they are in agreement with this proposed change which will share the costs with them as per percentage share of Council Tax take.

3.4 89% of respondents to the public consultation were in favour of the proposal 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.

3.5 There are no immediate financial or practical reasons to recommend any other changes to the existing scheme for 2024-25.

4. What are the resource implications including non-financial resources?

4.1 There are 161 care leavers aged 18 – 24 living in Exeter of whom 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. The cost of awarding or increasing CTS to 100% would be £24,836 per annum, based on Council Tax costs for 2023-24.

4.2 If a class of support for care leavers is created within the Council's local Council Tax Scheme for working age, 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 The financial implications are set out above and include a small reduction for the Council. The proposal was largely supported in the consultation and the Council received positive responses from each of the Preceptors.

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 Paragraph 5 of Schedule 1B to the Local Government Finance Act 1992 requires billing authorities to adopt a Council Tax Support scheme each year, no later than 11 March.

7. Monitoring Officer's comments:

7.1 This report raises no issues for the Monitoring Officer.

8. Report details:

8.1 This report focusses on care leavers as there are no other proposed changes to the Council's current local Council Tax Support Scheme.

8.2 There is a Devon Wide ambition for a council tax exemption for care leavers aged 18 up to 25 with a council tax liability, however in England, care leavers are not exempt in legislation from paying council tax.

8.3 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.

8.4 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.

8.5 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 must be met solely by the Council.

8.6 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.

8.7 Devon County Council, Police & Crime Commissioner for Devon & Cornwall and Devon & Somerset Fire & Rescue Authority were formally consulted on 31 October 2023, and the public consultation opened on 1 November 2023 for 6 weeks.

8.8 Results and comments from the public consultation, which closed on 12 December 2023, are attached as Appendix A.

8.9 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.

8.10 Exeter City Council's local Council Tax Support scheme remains largely based on the previous national scheme of Council Tax Benefit. The means test used to determine entitlement is still closely tied to the Housing Benefit scheme.

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

9.1 The Council's local Council Tax Support scheme supports Exeter's communities and neighbourhoods by helping low-income residents meet their Council Tax liability. This decision will contribute to the aspirations of the Exeter Vision 2040.

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

10.1 The current scheme of Local Council Tax Support is well known and understood. Retaining it in the current form presents little risk.

10.2 There is a risk that introducing a class of support for care leavers could attract criticism for not also introducing classes of support for others who may be in financial need, however the Council has responsibilities as a 'corporate parent'. Under the Children and Social Work Act 2017 'corporate parenting' as defined, applies to both county councils and district councils. Similarly, the duty to publish a local offer also applies to districts as well as county councils. While the onus is on county councils to make arrangements for improving the well-being of children in its area, district councils have a duty to co-operate in those arrangements and it is felt that supporting the cost of living through this class of support could help care leavers manage the transition to adulthood and help make their own home a safe and affordable space.

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 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because the proposal is not to change the scheme, except for introducing a class of support for care leavers, therefore protections already built into the scheme still apply. An Equality Impact Assessment accompanies this report and Members are requested to have read this assessment.

11.5 This proposal 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.

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 care leavers via their discretionary powers. Based on current data, this would cost the council £24,836 per annum as opposed to £2,006.

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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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