

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

CABINET

27 MARCH 2019

REPORT OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

HYWEL JENKINS

MATTER FOR INFORMATION

WARDS AFFECTED: ALL

COUNCIL TAX EXEMPTION / DISCOUNT FOR CARE LEAVERS

1. Purpose of the Report

The purpose of this report is to inform members of a decision taken by Welsh Government to introduce legislation to exempt or provide a discount to care leavers in relation to the payment of Council Tax.

2. Executive Summary

Following consultation run by the Welsh Government they have published a statutory scheme of Council Tax Exemption and Discount to care leavers, up to the age of 25, effective from 1st April 2019. It is estimated that there are 41 care leavers that will benefit from this scheme in 2019/20.

3. Background

In 2017, Sally Holland the Children's Commissioner for Wales published the report 'Hidden Ambitions, Wales' commitment to young people leaving care'. The report highlights the entitlements that young people leaving care have as well as the problems that young people report that they face when transitioning to adulthood.

The report also highlights Wales' commitment to ensuring that young people have access and support across a range of areas including housing, education & training and support. In respect of housing the report states that young people leaving care should have somewhere safe to live, with financial security.

In March 2018 a follow up report 'Hidden Ambitions; one year on' was published which highlighted how Local Authorities were meeting the recommendations to support care leavers. Local Authorities were asked to identify whether they had implemented a Discretionary Council Tax Discount for care leavers. At the time that the report was published 5 Local Authorities had implemented a scheme. The report concludes with recognising the positive steps taken to formally waiver Council Tax.

On 7th November 2018 Mark Drakeford, Cabinet Secretary for Finance published a consultation document on providing exemptions from Council Tax for care leavers. The consultation highlighted the fact that Councils could have a Discretionary Policy in place to provide discounts to care leavers and also proposed the introduction of a national scheme of Council Tax support under legislation from 1st April 2019.

The Welsh Government have now approved and amended the Council Tax legislation/regulations for 2019-20 and created a new exemption class for a dwelling occupied by care leavers (exemption Class X) i.e.

- A dwelling which is occupied by one or more care leavers; or
- A dwelling where every resident is either a care leaver, a relevant person within the definition of the current Class N (students etc.), or a severely mentally impaired person

In addition the Welsh Government has also introduced a new category of discounts for care leavers. This discount will apply when a dwelling is not entitled to be fully exempt where one of the residents is subject to Council Tax. This new discount allows the care leaver to be disregarded by allowing a 25% care leaver discount on the Council Tax payable.

The Welsh Government has defined a care leaver under the Council Tax Regulations as (see also Appendix 1):

- Aged 24 or under (not eligible from 25th birthday); and

- A category 3 young person as defined by section 104 of the Social Services and Well-being (Wales) Act 2014.

Social Services will work with the Council Tax Section to identify eligible care leavers that are entitled to this exemption or discount so that they can be applied to the individual Council Tax account.

4. Financial Impact

It is estimated that there are 41 care leavers that will benefit from this scheme with a gross financial support of circa £50,000. Of these some 30 care leavers already receive full support to pay their Council Tax under existing various discounts and exemptions e.g. under the age of 18, student in full time education or because they are on low income and in receipt of Council Tax Support. Thus implementation of this scheme will provide financial support to a further 11 care leavers at an estimated cost to this Council in 2019/20 of circa £15,000. In future years it is expected that these costs will be accommodated via the Local Government Settlement and Council Tax base setting arrangements.

5. Equality Impact Assessment

This proposal will provide young people that have been in care with financial assistance in relation to paying their Council Tax in line with Welsh Government regulations. The support will be provided to all eligible young people, which ever protected characteristics category they fall under, with financial support up to the age of 25.

6. Workforce Impacts

There are no workforce impacts associated with this report.

7. Legal Impacts

The new Welsh Government Council Tax Regulations and scheme specify eligible exemptions and discounts that apply from 1 April 2019.

8. Risk Management

Implementing the waiver/exemption will be met through Council Tax revenue. Social Services and Council Tax Section staff work together to identify appropriate care leavers entitled to these provisions.

9. Consultation

There is no requirement under the Constitution for external consultation on this item.

10. Recommendation

That the report be noted.

11. Appendices

Appendix 1 - The Council Tax (Exempt Dwellings) (Amendment) (Wales) Order 2019 and the Council Tax (Additional Provisions for Discount Disregards) (Amendment) (Wales) Regulations 2019

12. List of Background Papers

Children's Commissioner for Wales report 'Hidden Ambitions, Wales'

Children's Commissioner for Wales report 'Hidden Ambitions; one year on'

Welsh Government Consultation (7 November 2018 to 19 December 2018) Council Tax Exemptions for Care Leavers

Welsh Government Council Tax Regulations

13. Officer Contact

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The Council Tax (Exempt Dwellings) (Amendment) (Wales) Order 2019.

(This order amends the Council Tax (Exempt Dwellings Order) 1992.

Council Tax is not payable in respect of exempt dwellings under Section 4 of the Local Government Finance Act 1992.

The current list of exempt dwellings are –

- A Unoccupied property that requires or is undergoing major repair work to make it habitable
- B Unoccupied property owned by a charity
- C Unoccupied and substantially unfurnished property (6 months)
- D Unoccupied due to person in prison
- E Unoccupied due to person having gone to live in a care home
- F Council Tax payer deceased
- G Occupation prohibited by law
- H Dwelling held for a ministry of religion
- I Person living elsewhere to receive personal care
- J Person living elsewhere to provide personal care
- K Dwelling left empty by a student
- L Mortgagee in possession
- M Students halls of residence
- N Dwelling occupied by students
- O UK armed forces accommodation
- P Visiting forces accommodation
- Q Property left empty by a bankrupt person
- R Unoccupied caravan pitch or boat mooring
- S Occupied only by person under 18
- T Unoccupied annexe to an occupied dwelling
- U Dwellings occupied by SMI persons
- V Main residence of person with diplomatic privilege
- W Occupied annexe to an occupied dwelling

From the 1st April 2019 the Council Tax (Exempt Dwellings) (Amendment) (Wales) Order 2019 introduces a new category of exemption, **exemption X**. This exempts dwellings in Wales –

- Which are occupied by one or more care leavers, and
- Where every resident is either a care leaver, a relevant person within the definition of the current Class N (students etc.), or a severely mentally impaired person.

The regulations define a care leaver as a person who is

- ✓ Aged 24 or under; and
- ✓ A category 3 young person as defined by section 104 of the Social Services and Well-being (Wales) Act 2014.

Definition of care leaver by S104 of the Social Services and Well-being (Wales) Act 2014

Category 1 young person

Defined in Section 104 (2) of the Act as a child who:

- a) is aged 16 or 17
- b) is being looked after by a local authority, and
- c) has been looked after by a local authority for a period of 13 weeks, or periods amounting in total to 13 weeks, which began after he or she reached 14 and ended after he or she reached 16.

Known as a young person looked after aged 16 or 17

Category 2 young person

Defined in Section 104 (2) of the Act as a child who:

- a) is aged 16 or 17
- b) is not being looked after by a local authority or local authority in England, and
- c) immediately before ceasing to be looked after, was a category 1 young person.

Known as a care leaver under 18

Category 3 young person

Defined in Section 104(2) of the Act as a young person who is aged 18 or over who:

- a) has been a category 2 young person (and would continue to be so if he or she were under the age of) 18, or
- b) was being looked after by a local authority when he or she reached the age of 18 and immediately before ceasing to be looked after was a category 1 child.

Known as a care leaver aged 18 or over

The Council Tax (Additional Provisions for Discount Disregards) (Amendment) (Wales) Regulations 2019

These regulations amend the Council Tax (Additional Provisions for Discount Disregards) Regulations 1992.

The current list of persons who can be disregarded are:

- ✓ Child benefit payable
- ✓ School leaver
- ✓ Students
- ✓ Youth training trainee
- ✓ Apprentice
- ✓ Prisoner in detention
- ✓ Severely mentally impaired
- ✓ Carers
- ✓ Residents of a nursing home / care home or hostel providing care or hospital
- ✓ Member of an international headquarters or defence organisation
- ✓ A person that has diplomatic commonwealth or consular privileges
- ✓ Visiting forces
- ✓ Religious community
- ✓ Hostel / night shelter

From the 1st April 2019 the Council Tax (Additional Provisions for Discount Disregards) (Amendment) (Wales) Regulations 2019 prescribes a new class of people that are disregarded when determining if a dwelling is subject to a discount.

A new care leaver disregard has been created which relates to care leavers aged 24 or under (ineligible from 25th birthday). The term care leaver is defined with reference to a category 3 young person as defined in the Social Services and Well-being (Wales) Act 2014.