



**Corporate Policy and Resources
Committee**

Date 20 September 2018

Subject: The Council Tax Care Leavers Relief Scheme for 2018/19

Report by:

Ian Knowles, Executive Director of Resources &
Section 151 Officer

Contact Officer:

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Purpose / Summary:

This report seeks to clarify the Council's policy with regard to the council tax paid by young people leaving care as permitted by Section 13A of the Local Government Finance Act 1992 from 1 April 2018.

RECOMMENDATION(S):

1. That Members agree the amendments to the Section 13A policy (see Appendix A) to allow for Council Tax relief to be awarded to young people under the age of 25 leaving care.
2. That Members agree that individual applications for care leavers under the age of 25 years be determined by the Section 151 Officer under delegated powers.

IMPLICATIONS

Legal:

Section 76 of the Local Government Act 2003 introduces Section 13A Billing Authority's (Power to Reduce Amount of Tax Payable) into the Local Government Finance Act 1992. This allows a billing authority to reduce the amount of Council Tax payable to such an amount as it thinks fit, including reducing the amount to zero.

This power may be exercised in relation to individual cases or by determining a class of case or cases in which liability is to be reduced to an extent provided by the determination.

The authority to determine individual applications under Section 13A may be delegated to an officer of the Authority under Section 101 of the Local Government Act 1972.

Financial Implications FIN 45/19/CC

The loss in Council Tax revenue resulting from the granting of a local discount or a reduction must be met by the billing authority and not passed on to other major precepting authorities. In other words Council Tax payers will fund any reduction that is granted.

It is anticipated that only a small number of reductions are likely to be granted and it is expected that any reductions granted can be provided for out of existing budgets.

There are currently 18 care leavers under the age of 25 years resident in the West Lindsey area and none of them have any liability for council tax.

The level and number of rewards granted will be continuously monitored through the financial year and funding identified to mitigate the impact on the budget.

Staffing :

None directly resulting from this report

Equality and Diversity including Human Rights :

None directly from this report

Risk Assessment :

If awarded the full cost of the relief would be incurred by West Lindsey District Council.

Climate Related Risks and Opportunities :

None arising from this report.

Title and Location of any Background Papers used in the preparation of this

report:

Local Government Finance Act 1992 – Section 13A -
<http://www.legislation.gov.uk/ukpga/1992/14/section/13A>

The Local Government Act 2003 – Section 76 -
<http://www.legislation.gov.uk/ukpga/2003/26/section/76>

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

Executive Summary

This report is written in response to a Children's Society campaign that has identified a range of disadvantages care leavers experience. In particular care leavers are a vulnerable group for council tax debt. The Children's Society suggests local authorities implement a Care Leavers Council Tax Relief Scheme.

Section 13A of the Local Government Finance Act 1992 (as amended by Section 76 of The Local Government Act 2003) allows the Council to reduce the amount of council tax payable. Powers may be used on a case by case basis or by specifying a class of use where several taxpayers may fall into a group due to similar circumstances.

The council already operates a Council Tax Section 13A Relief Scheme under a policy agreed and introduced in January 2015 and it is used to help mitigate any unforeseen or exceptional hardship circumstances that threaten taxpayers' ability to pay the council tax or to remain in their homes.

To introduce a scheme specifically for care leavers under the age of 25 years will ensure that we continue to play a key role in addressing issues such as homelessness and health inequalities.

However, as there is a financial implication when awarding discounts under Section 13A because the Council has to fund all awards from its own funds without any Government support, any such awards must meet certain criteria to ensure they offer value for money to the districts taxpayers.

It is envisaged that individual applications for Section 13A Discretionary Relief be determined by the Director of Resources under his delegated powers.

Notifications will always be made in writing to the applicant and any awards will be made by crediting the council tax account to which it applies.

1 Background

- 1.1** This report is written in response to a Children's Society campaign that has identified a range of disadvantages care leavers experience. In particular care leavers are a vulnerable group for council tax debt. The Children's Society suggests that care leavers up to, at least, the age of 21 be exempt from paying council tax.
- 1.2** It is recognised that young person's transition out of care and into adulthood is extremely difficult as is managing money for the first time without the support of family or other support networks that other young people can rely on.
- 1.3** Care leavers within West Lindsey have been looked after by the Lincolnshire County Council rather than their parents and are amongst the most vulnerable groups of our community.
- 1.4** It is important that care leavers are kept safe and that their experience leaving care and moving into independent living is positive.
- 1.5** This proposed scheme aims to support care leavers who are solely liable to pay Council Tax in their own right and reduce the amount of council tax a care leaver pays to NIL so that council tax does not become a problem debt for them.
- 1.6** Under Section 13A of the Local Government Finance Act 1992 the council has a general discretionary power to reduce liability for council tax in relation to individual cases or class (es) of cases where national discounts and exemptions cannot be applied.
- 1.7** This relief must be awarded by the Council in accordance with the discretionary council tax reduction powers as contained within the Local Government Finance Act 1992.
- 1.8** The care leaver relief awarded by the council will not be reimbursed by the Government and will be funded by West Lindsey District Council.
- 1.9** The process for applying for this relief will be made simple and where care leavers are in receipt of council tax support they will be identified by the Benefits Team to the Revenues Team for immediate action.

2. Guidelines

- 2.1** Ordinarily the Council would expect there would have to be evidence that extreme financial hardship would be caused to justify the reduction. In the case of care leavers under the age of 25 years it is proposed they should complete the simple form (see Appendix B of policy) confirming their eligibility.
- 2.2** The discretionary relief will only be awarded after entitlement to Council Tax Support has been granted.
- 2.3** The discretionary relief will only be awarded after entitlement to other legislative discounts or exemptions have been applied.
- 2.4** The discretionary relief will only be awarded up to the age of 25 years and it is

expected that the care leaver will notify the council when they approach their 25th birthday to ensure the award is cancelled.

3. Care Leavers – Definition

The term 'care leaver' is defined in The Children (Care Leavers) Act 2000 and refers to eligible, relevant and former relevant children.

- Eligible children are young people aged 16-17 who are still in care and have been 'looked after' for a total of 13 weeks from the age of 14 and including their 16th birthday.
- Relevant children are young people aged 16 and 17 who have already left care and who were 'looked after' for at least 13 weeks from the age of 14 and have been 'looked after' at some time while they were 16 or 17.
- Former relevant children are young people aged 18, 19, or 20 who have been eligible and/or relevant.

4. Application Form

The application form will be simple and easy to complete (see Appendix B)

5. Decision Making Process

To enable a request for this relief to be dealt with in a timely manner it is proposed that the Director of Resources is given delegated powers to determine applications.

Awards of up to 100% of the council tax will be granted only after entitlement to Council Tax Support and any other discounts or reliefs have been applied.

6. Notification of Decision

Awards will be made directly by a reduction in liability on the Council Tax account only and notification of the award will be by way of the council tax bill.

West Lindsey District Council

Council Tax Section 13A Relief Policy Statement

September 2018



The Entrepreneurial Council

Council Tax Section 13A Relief Policy and Procedures

Section 1	Background Information Nationally Locally
Section 2	Statement of Objectives
Section 3	The Policy Section 13A Scheme Applying for Section 13A Relief Eligibility Criteria Awarding Section 13A Relief Payment of an award Notification Right of Appeal Overpayments Fraud
Section 4	Monitoring
Appendix A	Application Form
Appendix B	Financial Statement
Appendix C	Application Form for Care Leavers

Section 1

Background Information

Section 13A Relief Background

1.1 Nationally

Section 13A of the Local Government Finance Act 1992 allows the council to reduce the amount of Council Tax payable where national discounts and exemptions cannot be applied. The council has the right to choose whether to use powers on a case by case basis i.e.: on the grounds of exceptional financial hardship or to specify certain classes of use where several taxpayers may fall into a group due to similar circumstances.

1.2 Locally

The council agreed, in February 2014, under Section 13A of the Local Government Finance Act 1992, to introduce a class discount where a dwelling has been affected by external flooding caused by extreme weather conditions and the occupier(s) have had to vacate the property for a period of time. This scheme is only applicable for the impact of flooding caused by extreme weather conditions where water comes into the property; it does not cover events such as flooding caused by burst water pipes etc.

There is a financial implication to awarding discounts under Section 13A as the Council has to fund all awards without any Government support and this therefore has a direct impact on the taxpayers of West Lindsey.

The council has agreed to award relief to care leavers under the age of 25 years. There is a simplified form required to be completed and confirmation of the care leavers' status will be verified with the local authority who provided care.

Section 2

Statement of Objectives

West Lindsey District Council recognises that it must be able to respond flexibly to the needs of its taxpayers and that it wishes to support strong and sustainable local communities.

In order to comply with some of our own priorities we need to ensure that we continue to achieve value for money in the delivery of services and play a key role in addressing issues such as homelessness and health inequalities.

Section 13A awards will be used to help mitigate any unforeseen or exceptional hardship circumstances that threaten taxpayers' ability to pay the council tax or to remain in their homes.

As there is a financial implication when awarding discounts under Section 13A because the Council has to fund all awards from its own funds without any Government support, any such awards must meet certain criteria to ensure they offer value for money to the districts taxpayers.

Section 3

The Policy

3.1 Section 13A Scheme

The council will consider making a Section 13A award to applicants who meet the qualifying criteria, as specified in this policy. All applications will be considered on their individual merits. Council Tax accounts in joint names should make joint applications for Section 13A Relief.

3.2 Applying for Section 13A Relief

Features of the scheme are that:

- it is discretionary
- the applicant does not have a statutory right to a payment
- in the interests of fairness, the council will operate an internal review procedure for appeals.

In order for an application to be considered it should be made in writing using the form at Appendix A and submitted to the Council Tax Section.

3.3 Eligibility Criteria

When determining an application consideration will be made to:

- the applicants personal circumstances
- the applicants evidence of hardship
- the applicants not having access to assets or savings that could be realised to pay the council tax
- any other eligible discounts, reliefs or exemptions that could be awarded
- the council tax account and if it is in arrears the Council must be satisfied that non-payment is not due to wilful refusal or culpable neglect.
- the council will only pay hardship relief in respect of the main home occupied by the council taxpayer (annexes or second homes will not be eligible for relief)

3.4 Awarding Section 13A Relief

In deciding whether to make a Section 13A award we must have regard to the applicants' circumstances and in order to do this reasonable evidence may be requested in support of their application. This may include:

- Income and expenditure statements
- Any sources of credit for example cash cards, credit cards, store cards, overdraft facilities and loan arrangements
- Any help which is likely to be available from other sources
- Any special circumstances of which we are aware

Council taxpayers will be expected to make contact with external agencies for assistance e.g.: Citizens Advice Bureau, Money Advice etc.

The council will decide how much to award based on all the applicants circumstances and will be at the councils discretion.

All decisions will be made by the Section 151 Officer as delegated under delegated powers of the council.

3.5 Payment of an award

All awards will be made by crediting the award value to the council tax account to which it applies. The relief will only be paid to a maximum of the end of the tax period to which it is claimed and will not automatically continue to reduce a future year's liability as it is a short term assistance only and should not be considered a way of reducing the council tax long term.

3.6 Notification

The council will notify the applicant of the outcome of their request within 5 working days of the date that the decision is made. This will be in writing and will detail:

- The amount of the award (if appropriate)
- The period of the award (if appropriate)
- Provide details of how the award will be made (if appropriate)
- The reasons why a decision was made (if unsuccessful)
- The rights of appeal (if appropriate)

3.7 Right of Appeal

Section 13A awards are administered under the Local Government Finance Act 1992 and are subject to a statutory appeals process. However, in the first instance the council will accept a taxpayer's request for a reconsideration of a decision where the council has not awarded a discretionary relief or where the taxpayer feels the award should be increased.

Requests for an appeal should:

- Be made in writing
- Be received within 21 days of receipt of the initial decision notice
- Be signed by the applicant or their representative
- Include full reasons and evidence for the appeal

Decisions on appeals will be made by the Housing Appeals Board and their decision will be final.

The council will notify a taxpayer of its decision on the appeal within 21 days of receiving the request.

3.8 Overpayments

If the council becomes aware that the information contained in an application for Section 13A relief was incorrect or that relevant information was not declared either intentionally or otherwise, the council may seek to recover the value of any award made as a result of that application. The award will be removed from the council tax account and any resulting balance will be subject to the normal methods of collection and recovery applicable to such accounts.

3.9 Fraud

The council is committed to the fight against fraud in all its forms. Any applicant who tries to fraudulently claim a Section 13A relief might have committed an offence under the Fraud Act 2006 and the matter will be investigated and dealt with appropriately. This could lead to criminal proceedings.

Section 4

Monitoring

The council is committed to its responsibility to equality and fairness and will ensure that people are treated fairly and given fair chances. The scheme aims to give the fairest outcomes to everyone regardless of race, gender reassignment, age, disability, religious beliefs, sex or sexual orientation.

This policy will be monitored and reviewed to ensure it has been applied fairly and consistently.

**For further information please contact the Council Tax Section
on 01427 676566**

If you would like a copy of
this in large, clear print, audio,
Braille or in another language,
please telephone

01427 676676

Guildhall, Marshall's Yard
Gainsborough, Lincolnshire DN21 2NA
Tel: 01427 676676 Fax: 01427 675170
DX 27214 Gainsborough



Appendix A



Guildhall
Marshall's Yard
Gainsborough
DN21 2NA
Telephone: (01427) 676676
Fax: (01427) 675173
Web: www.west-lindsey.gov.uk

**APPLICATION FOR COUNCIL TAX REDUCTION UNDER SECTION 13A OF
THE LOCAL GOVERNMENT FINANCE ACT 1992**

Please note that if a joint bill has been issued then the application must also be made in joint names.

Name of Applicant(s)	Telephone Number
Contact Address	Email Address
Owners Name(s)	Address of property for which relief is being claimed
What is the value of equity in the property?	£
Is the property currently marketed for sale? Yes <input type="checkbox"/> No <input type="checkbox"/>	Please provide details of marketing agent/estate agent for this property
Is the property currently marketed for rent? Yes <input type="checkbox"/> No <input type="checkbox"/>	Please provide details of marketing agent/estate agent for this property

Please provide details of any other properties or land owned by yourself and value of any rental income you are in receipt of

If you have left a property empty to move to more suitable accommodation or to receive or provide care due to old age, disablement, illness, alcohol or drug misuse or mental disorder then please provide details below

Please provide the detailed reasons why you are applying for a reduction in Council Tax. This should fully explain the circumstances that are creating financial difficulty and how long you expect these circumstances to continue

Has an application for Council Tax Reduction been made?

Yes

No

Are you receiving financial assistance from any other source?

Yes

No

Please provide details

Have you approached any organisation to assist with your current financial situation such as Citizen Advice Bureau / Money Advice etc.?

Yes

No

Please provide details

Please provide details of any stocks/shares/savings/ money you may have or money you are owed

Please provide any additional information you may wish to provide in support of your application

Your application will not be processed unless the enclosed financial information sheet is completed and returned.

All applicants must provide documentary evidence in support of their claim. At a minimum these should include the following:

- Confirmation of all income received
- Bank statements
- Any additional information to support the application
- Written details of any savings/stocks/shares

I declare that the information I have given on this form is complete and accurate, to the best of my knowledge.

I understand that a copy of this form may also be sent to Lincs2Advice who may be able to offer me further advice and assistance.

I also understand that whilst this application for relief is pending I am not entitled to withhold payment of the council tax due to the council.

Signature: _____ Date: _____

Full Name (please print): _____

West Lindsey District Council Privacy Notice

To find out more about why we need your information, what we will do with it and how to contact us if you have any concerns or questions please read our 'privacy notice'

<https://www.west-lindsey.gov.uk/privacy/>

For Revenues specific concerns or questions please read our Revenues Privacy Notice

<https://www.west-lindsey.gov.uk/privacy/revenues-privacy-notice/>

If you require a written copy of either of these statements please contact the Customer Service team on 01427 676676

**Please return your completed form to
West Lindsey District Council, Guildhall, Marshall's Yard, Gainsborough, Lincs.
DN21 2NA**

Appendix B



Guildhall
 Marshall's Yard
 Gainsborough
 DN21 2NA
 Telephone: (01427) 676676
 Fax: (01427) 675173
 Web: www.west-
 lindsey.gov.uk

Council Tax – Financial Statement for Section 13A Application

Account Reference Number:

Name of Applicant:

Address:

Income	Amount	Weekly/Monthly
Wages	£	
JSA/Income Support	£	
Working Tax Credit	£	
Disabled Tax Credit	£	
Child Tax Credit	£	
Retirement Pension	£	
Works Pension	£	
Guaranteed Pension Credit	£	
Savings Credit	£	
Child Benefit	£	
Incapacity Benefit/ESA	£	
Maintenance	£	
Non Dependant Contribution	£	
DLA	£	
Any other Income	£	
Total Income	£	
Expenditure	Amount	Weekly/Monthly
Rent/Mortgage	£	

Council Tax	£	
Water Rates	£	
House Insurance	£	
Gas/Electricity/Fuel	£	
Housekeeping	£	
Telephone/Mobile	£	
TV Rental	£	
TV Licence	£	
Travel Expenses	£	
Car Running Costs (Petrol, Oil)	£	
Car insurance	£	
Car Tax	£	
Car Repayments	£	
Catalogues	£	
Loans		
Credit Card/Store Cards	£	
Hire Purchase	£	
Fines	£	
Child Care	£	
Clothing	£	
Other Expenses (please detail)	£	
Total Expenditure	£	

WARNING: Deliberately giving false information could lead to prosecution.

Declaration

I declare that the information I have given on this form is complete and accurate, to the best of my knowledge and belief.

I understand that failure to supply or giving false information is an offence for which a penalty may be imposed. I also understand that I must inform the Council Tax Section as soon as there is any change in my circumstances.

Signed

Dated



Guildhall
 Marshall's Yard
 Gainsborough
 DN21 2NA
 Telephone: (01427) 676676
 Fax: (01427) 675173
 Web: www.west-lindsey.gov.uk

**APPLICATION FOR COUNCIL TAX CARE LEAVERS – DISCRETIONARY
REDUCTION UNDER SECTION 13A OF THE LOCAL GOVERNMENT
FINANCE ACT 1992**

In order to be considered for a discretionary reduction the person must be a care leaver under the age of 25 years who is paying Council Tax. To apply, either the care leaver or liable person must complete the details below and return to us via email or post. Our contact details are shown above.

Title	
First Name	
Middle Name	
Last Name	
Date of Birth	
Address and Postcode of the address you will be moving to or are living at	
Date moved in	
If you have moved please provide the previous address	
Email Address	
Telephone Number	
Local authority that looked after you	
Name of Support Worker	
Contact details of Support Worker	

Declaration

I declare that the information I have given on this form is complete and accurate, to the best of my knowledge and belief.

I understand that failure to supply or giving false information is an offence for which a penalty may be imposed. I also understand that I must inform the Council Tax Section as soon as there is any change in my circumstances.

Signature: _____ Date: _____

Full Name (please print): _____

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<https://www.west-lindsey.gov.uk/privacy/>

For Revenues specific concerns or questions please read our Revenues Privacy Notice

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DN21 2NA**