

## **CABINET**

**8 MARCH 2022**

### **COUNCIL TAX DISCRETIONARY RELIEF**

Portfolio Holder: Councillor Gary Hackwell, Portfolio Holder for Business Management

Report from: Phil Watts, Chief Finance Officer

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#### **Summary**

In March 2021, the Cabinet agreed a discretionary council tax relief policy to empower and encourage the care leaver to apply for appropriate reductions, such as council tax reduction, single person discount or disregards. The Council would subsequently reduce the liability to nil in most cases after the statutory reductions are made. The Cabinet decision covered the period 1 April 2021 to 31 March 2022 and the Cabinet will now be asked to agree extension of the policy for a further year.

Since 2013, the Council has operated a scheme to assist those in financial need with their council tax. This is commonly known as the Council Tax Discretionary Relief scheme. Both policies are being presented for Cabinet approval.

#### **1. Budget and policy framework**

- 1.1 It is the Cabinet's responsibility to propose a budget to be agreed by Council. The amendment of the discretionary Council Tax Relief (CTR) policy to include Care Leavers can be made within the existing revenue budget.

#### **2. Background**

- 2.1 Section 13A(1)(C) of the Local Government Finance Act 1992 states the amount of council tax which a person is liable to pay in respect of any chargeable dwelling and any day in any case, may be reduced to such an extent as the billing authority for the area in which the dwelling is situated thinks fit.

- 2.2 Section 13A (2) states that the billing authority in England must make a scheme specifying the reductions which are to apply to the amount of council tax payable in respect of dwelling situated in its area by (a) persons to whom the authority considers to be in financial need, or (b) persons in classes consisting of persons whom the authority considers to be, in general, financial need.
- 2.3 The Council needs to decide whether it prescribes care leavers as a class of case under Section 13A of the Local Government Finance Act 1992 for the 2022/2023 financial year.
- 2.4 In accordance with the Local Government Finance Act 1992, the Council must have a policy for those who are in financial need to be able to apply for assistance with their council tax liability. This policy was last approved at Cabinet in 2015 (Decision 168/2015). The Council Tax Discretionary Relief Policy has therefore been updated which will take effect from 1 April 2022.

### 3. Advice and analysis

- 3.1 The issue around care leavers was previously raised by Corporate Parenting Board and was considered at a joint problem-solving meeting between officers from Children's Social Care and Housing, chaired by the Chief Legal Officer. There was broad support from a Member and Officer perspective that change should be affected to benefit our Care Leavers.
- 3.2 The policy stands alone, is reviewed yearly and presented to Cabinet if required. This also means that provision is not affected by changes to the Council's council tax discretionary relief policy, however this report represents an opportunity to reflect upon and update the wider policy.
- 3.3 The policy is sustained and operated outside of the council tax reduction scheme meaning that care leavers would not be affected by changes to the scheme.
- 3.4 A diversity impact assessment has been completed (Appendix 2). The policy only provides support until the care leaver's 25<sup>th</sup> birthday, this potentially provides a cliff edge effect. However, by ensuring there are no previous debt issues and that the appropriate statutory reductions are in place, Medway Council is, in its position as corporate parent, placing the care leaver in the best possible position.
- 3.5 If a care leaver is living with a partner, it would have been acceptable to only pay 50% of the council tax liability. However, by not restricting the relief available to those care leavers living with a partner, the scheme becomes more equitable based on relationship status.
- 3.6 Overall, the policy provides financial support to low-income groups and families, that ultimately Medway Council is responsible for. For a vulnerable group who may not be able to seek assistance elsewhere, financial assistance is provided by the corporate parent.

- 3.7 The scheme has operated well during the past year. It has helped 93 care leavers and cost £36,590.41 in respect of 2021-2022 council tax liability.
- 3.8 The discretionary policy is being refreshed and is presented with an accompanying diversity impact assessment.

#### 4. Risk management

Risk	Description	Action to avoid or mitigate risk	Risk rating
<b>Increased take up</b>	More care leavers could come forward for assistance. The number of non-Medway care leavers living in Medway is not known.	Monitoring of spend and applications received.	Likelihood D Impact 4
<b>Pressure to extend to other vulnerable groups</b>	It could be requested that other vulnerable groups within Medway are considered for a similar scheme.	If a request is made, it would have to be considered on its own merits.	Likelihood D Impact 4

#### 5. Financial implications

- 5.1 We anticipate that the costs will remain static except for an increase due to the likely in council tax.

#### 6. Legal implications

- 6.1 Section 13A of the Local Government Finance Act 1992 grants the billing authority the power to reduce the amount of council tax payable and this may be exercised by determining a class of case in which liability is to be reduced.

#### 7. Recommendations

- 7.1 It is recommended that Cabinet approves the extension of the implementation of the Care Leavers Policy for Council Tax in Appendix 1 for the period 1 April 2022 to 31 March 2023.
- 7.2 The Cabinet is asked to note that, if agreed, this policy will be reviewed annually, and any proposed changes referred to Cabinet for consideration.
- 7.3 It is recommended that the Cabinet approves the Council Tax discretionary relief policy in Appendix 3.

## 8. Suggested reasons for decisions

- 8.1 As the corporate parent to care leavers, Medway Council has the responsibility to provide financial support and guidance. The scheme is working well to support care leavers to not only Medway care leavers, other care leavers too.
- 8.2 The Council Tax Discretionary policy has been updated as it was last reviewed in 2015.

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### Appendices

Appendix 1 – Discretionary council tax relief policy for care leavers

Appendix 2 – Diversity Impact Assessment Care Leavers

Appendix 3 – Council Tax Discretionary Relief Policy

Appendix 4 – Diversity Impact Assessment Council Tax Discretionary Relief

### Background papers

None