



**REPORT of
DIRECTOR OF SERVICE DELIVERY**

to
**COVID-19 INTERIM MEASURES GROUP
3 APRIL 202**

**DISCRETIONARY COUNCIL TAX DISCOUNT POLICY FOR ESSEX CARE
LEAVERS**

1. PURPOSE OF THE REPORT

- 1.1 To agree or reject the implementation of a policy at **APPENDIX 1**, to use discretionary powers to reduce the council tax liability of people aged less than 21 who have left the care of Essex County Council.

2. RECOMMENDATION

That the proposed policy at **APPENDIX 1** be approved

3. SUMMARY OF KEY ISSUES

- 3.1 In December 2019, Leaders and Chief Executives of the County, District, Borough and City councils in Essex agreed that they would like to support care leavers with their council tax liabilities. The decision as to how best to implement this support was delegated to Directors of Finance.
- 3.2 There are currently two provisions within to award reductions in addition to our local Council Tax Support Scheme:
- **Section 13A(1)(c) (2a) of the Local Government Finance Act** - a more general discretion to reduce a persons Council Tax
 - **Section 13(A)(1)(c) (2b) of the Local Government Finance Act** - a discretion to reduce Council Tax for a specific group or “class” of people.
- 3.3 The Council currently uses its more general powers under Section 2a on an ad-hoc basis in cases of exceptional hardship, but to date has not used it powers under 2b to grant relief to a specific group of people, which would require a specific policy.
- 3.4 A policy to deal with Care Leavers as a specific class is attached at **APPENDIX 1** and has been the subject of discussion by the billing authority Council Tax teams across Essex. For consistency it is proposed that the same scheme should be introduced across Essex.
- 3.5 It should be noted that the policy only applies to specified persons leaving the care of Essex County Council until they reach the age of 21. The unitary authorities of

Thurrock and Southend have implemented their own policies covering their own care leavers.

- 3.6 The principle behind the policy is that a care leaver living alone or solely with other care leavers will pay no council tax (in much the same way as the exemption which is applied to students). A care leaver who joins a household which already pays council tax will be granted as much relief as is required to ensure that the existing council tax liability does not increase as a result of their presence in the household.
- 3.7 In all cases, the care leaver is required to ensure that they apply for all applicable national or local reliefs, discounts, exemptions or reductions to ensure that the council tax liability is reduced by as much as possible before any discretionary assistance is calculated. This principle is aimed at reducing the cost of the policy as far as possible.
- 3.8 The cost of any reduction under either piece of legislation falls in full to the billing authority, however Essex County Council (ECC), Essex Fire and Rescue Authority and Essex Police Authority have agreed to reimburse billing authorities for the cost of reducing council tax liabilities in respect of these care leavers in proportion to their share of the precept. This would leave Maldon District Council (MDC) bearing only a small proportion of the cost. Due to the small numbers involved, it is estimated that the cost will be less than £1,000 per annum to MDC.
- 3.9 The policy will take effect from 1 April 2020 and the cost will be monitored throughout each financial year. Reimbursement of ECC's share of the cost will take place in arrears as agreed by an amendment to the existing Council Tax Sharing agreement.
- 3.10 The numbers of awards granted to care leavers will remain under review through the Councils quarterly monitoring reports which are shared with ECC.

4. CONCLUSION

- 4.1 Care leavers are vulnerable group and the support of billing authorities with respect to reducing their council tax liability will be a valuable breathing space for them in obtaining and maintaining their own households until they gain experience in managing their finances.
- 4.2 Essex County Council have agreed to meet a significant proportion of the cost of the scheme, and it is believed that the cost to MDC is likely to be low.
- 4.3 The scheme has previously been agreed in principle through the Essex Finance Officers Group.

5. IMPACT ON STRATEGIC THEMES

- 5.1 The Discretionary policy will enable the granting of a reduction which will support the Corporate Goal of "Delivering good quality, cost effective and valued services", whilst supporting vulnerable residents within the community.

6. IMPLICATIONS

- (i) **Impact on Customers** – Eligible customers will receive a reduction on their council tax bill.
- (ii) **Impact on Equalities** – None. The completed Equality Impact Assessment is attached at **APPENDIX 2**.
- (iii) **Impact on Risk** – The scheme should provide financial support to vulnerable residents.
- (iv) **Impact on Resources (financial)** – There will be a small cost to Maldon District Council, the scheme is significantly funded by Essex County Council.
- (v) **Impact on Resources (human)** – None. The schemes will be delivered within existing resources.
- (vi) **Impact on the Environment** – None.
- (vii) **Impact on Strengthening Communities** – None.

Background papers: None.

Enquiries to:

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