

## Appendix B

### COUNCIL TAX DISCOUNT FOR CARE LEAVERS

#### MEMORANDUM OF UNDERSTANDING AMONGST COUNCIL TAX BILLING AUTHORITIES AND THE MAJOR PRECEPTORS

1. Oxfordshire councils (being Oxfordshire County Council and the five Oxfordshire District Councils) understand that the transition out of care for young people can be very problematic. Without the support of a family and being inexperienced in managing their own finances, care leavers can be more susceptible to falling into debt. Therefore, each billing authority has agreed to give financial support to these young people by giving additional relief, on top of any other reliefs that may be available, to those leaving care by reducing their net liability for council tax to zero until age 21, and in certain circumstances until age 25, with effect from 1 April 2020.

2. This document sets out the process by which Oxfordshire's care leavers will be given council tax relief, and how the costs of such relief will be shared amongst council tax billing and the major precepting authorities in Oxfordshire.

3. Under Section 13A(1-3) of the Local Government Finance Act 1992 (as amended), a billing authority has the power to reduce liability for Council Tax in relation to individual cases or class(es) of cases that it may determine. Essentially, it says:

*Where a person is liable to pay council tax in respect of any chargeable dwelling and day, the billing authority for the area in which the dwelling is situated may reduce the amount which he is liable to pay as respects the dwelling and the day to such extent as it thinks fit.*

4. This also allows for a further reduction where a reduction under a council tax reduction scheme has been applied.

5. The power under paragraph 3 above includes:

- the power to reduce an amount to nil
- that the power may be exercised in relation to cases or by determining a class of case in which liability is to be reduced to an extent provided by the determination.

6. There are financial implications for the billing authorities (being, in Oxfordshire, the five district councils) to awarding any discounts other than those currently available under the statutory legislation, and the financial burden of Section 13A discounts has to be met through an increase in the general level of council tax for other payers or from the general fund.

7. The major preceptors in Oxfordshire (Oxfordshire County Council, Thames Valley Police) also recognise:

- The granting of Section 13A discounts would reduce income from Council Tax
- Council Tax Reduction schemes exist to ensure that those on low incomes receive financial assistance with their Council Tax

8. In order to provide further support for care leavers, billing authorities will create a new class of council tax charge payer known as 'Care Leavers' and will reduce the council tax bill for Oxfordshire's Care Leavers to zero, after any other reliefs (including any council tax reduction under the authority's scheme) have been applied.

9. This policy will apply up to and including the date of the day before the care leaver's 21st birthday, and in certain circumstances as set out in the policy, may be applied up to and including the date of the day before the care leaver's 25<sup>th</sup> birthday.

10. Billing authorities will have the responsibility of undertaking appropriate checks on the eligibility of applicants for care leaver relief.

11. Reducing council tax in these circumstances will hereafter be known as an award of Care Leaver's Discount.

12. In recognition of the financial costs borne by billing authorities created by the policy and enabling mechanism described above, the Major Preceptors agree that they will reimburse an amount equivalent to their proportion of the reduction in council tax liability, as invoiced to them by each district on an annual basis. "Their proportion" means the percentage calculated as the preceptor's band D tax divided by the total band D tax (billing authorities plus major preceptors) for the authority and the year concerned.

13. Billing authorities will inform major preceptors periodically as to the amount of Care Leavers' Reduction awarded, and in particular where the volume of applications and awards is increasing significantly.

14. It is envisaged that this arrangement will continue on an ongoing basis. Where any party wishes to discontinue or change this arrangement it will endeavour to give other parties to this Memorandum of Understanding the maximum possible notice.