

CABINET

Date of Meeting	Tuesday, 19 th October 2021
Report Subject	Consultation on the Removal of Eligible Care Leavers' Liability for Payment of Council Tax
Cabinet Member	Deputy Leader of the Council (Governance) and Cabinet Member for Corporate Management and Assets
Report Author	Chief Officer (Governance)
Type of Report	Operational

EXECUTIVE SUMMARY

Care Leavers aged 24 or under subject to Council Tax and residing in Wales are usually exempt from Council Tax since regulations were first introduced by Welsh Government from April 2019.

Welsh Government are consulting on proposals to remove the risk of care leavers needing to pay Council Tax in joint and several liability cases in potential circumstances where another person in the household, who is not exempt from Council Tax, fails to pay their Council Tax.

While such cases are not common, to mitigate the risk to care leavers being held jointly and severally liable for the Council Tax bill on their home, it is proposed that regulations are amended to provide an exemption for care leavers from April 2022.

The additional provisions as set out in the consultation will ensure that care leavers are not personally held liable for Council Tax in circumstances where the care leaver is joint and severally liable for Council Tax as a result of living with a spouse or partner, or in households with more than one adult.

RECOMMENDATIONS

1	Support the policy intentions as set out in the Welsh Government consultation of removing care leavers aged 24 or under from joint and several liability for Council Tax.
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REPORT DETAILS

1.00	EXPLAINING THE REMOVAL OF ELIGIBLE CARE LEAVERS' LIABILITY FOR COUNCIL TAX
1.01	Care Leavers aged 24 or under subject to Council Tax and residing in Wales are usually exempt from Council Tax since regulations were first introduced by Welsh Government from April 2019 and 44 care leavers currently qualify for a partial or full reduction in their Council Tax bills.
1.02	This consultation relates to the proposals to remove the risk to care leavers being held liable for the payment of Council Tax where another person (who is not exempt) in the household fails to pay their Council Tax.
1.03	Currently, the regulations mean that where properties are occupied by one or more care leaver or where every resident in either a care leaver student or a person with a severe mental impairment, the property is exempt from Council Tax.
1.04	Where care leavers are living with a spouse or partner, or in households with more than one adult, all of the adults may be held 'jointly and severally' liable for the Council Tax. Therefore, a risk remains that a care leaver could be held liable for payment of Council Tax where another person (who is not exempt) fails to pay their Council Tax. Whilst these cases are rare, Welsh Government are aware of isolated cases where care leavers have been held liable for shared bills.
1.05	Welsh Government proposals will result in care leavers living in Wales with an exemption from joint and several liability provisions. The Local Government and Elections (Wales) Act 2021 enable Ministers to specify in Regulations that care leavers who are disregarded for the purposes of a Council Tax discount may not be held jointly and severally liable for Council Tax.
1.06	To mitigate the risk of care leavers being held jointly and severally liable, Welsh Government are therefore intending to exempt care leavers from April 2022.

2.00	RESOURCE IMPLICATIONS
2.01	Since 2019, care leavers aged 24 or under have generally been exempt from payment of Council Tax and the proposed approach as set out in the consultation will provide care leavers with an enhanced exemption from joint and several liability arrangements, thereby removing the potential risk of care leavers being liable for shared bills.
2.02	The proposals are unlikely to have any financial implications for the Council as most, if not all, care leavers living in the County are unaffected.

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	The proposed changes ensures that care leavers are supported through the Council Tax system as part of their transition into adulthood and independent living.
3.02	To mitigate the risk of care leavers being held jointly and severally liable, Welsh Government are intending to fully exempt care leavers from April 2022.

4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	Welsh Government have published an open consultation on the removal of eligible care leaver's liability for payment of Council Tax and ask for comments by 12 th November 2021.
4.02	As the Council undertakes the statutory function by acting as the billing authority for the assessment and collection of Council Tax, Cabinet is asked to endorse and support the proposals as set out in this report. The proposals will be implemented from April 2022.

5.00	APPENDICES
5.01	None.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<ul style="list-style-type: none"> • The Council Tax (Exempt Dwellings) (Amendment) (Wales) Order 2019 • The Council Tax (Additional Provisions for Discount Disregards) (Amendment) (Wales) Regulations 2019 • Local Government and Elections (Wales) Act • Local Government Finance Act 1992 • Welsh Government Consultation (WG 43169) – The removal of eligible care leavers liability for payment of Council Tax. https://gov.wales/consultation-removal-eligible-care-leavers-liability-payment-council-tax-html#section-77696

7.00	CONTACT OFFICER DETAILS
7.01	<p>Contact Officer: David Barnes, Revenues Manager</p> <p>Telephone: 01352 703652</p> <p>E-mail: david.barnes@flintshire.gov.uk</p>

8.00	GLOSSARY OF TERMS
8.01	Joint and several liability - There can often be more than one liable person for the same property and subject to Council Tax. People who are joint owners or joint tenants are usually liable for the one Council Tax bill. In other words, both parties are individually responsible for the whole bill, not just a share of it. This is commonly known as 'joint and several' liability.