

Report Title:	Care Leavers Council Tax Exemption
Contains Confidential or Exempt Information?	NO - Part I
Member reporting:	Councillor Airey, Lead Member for Children's Services
Meeting and Date:	Cabinet - 30 May 2017
Responsible Officer(s):	Andy Jeffs, Interim Executive Director, Kevin McDaniel, Director of Children's Services
Wards affected:	All

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REPORT SUMMARY

- 1 This report outlines the case for the Royal Borough to proactively support Care Leavers (aged 18-25) as part of its statutory duty as Corporate Parent.
- 2 A large number of local authorities across the country have introduced measures to exempt care leavers from Council Tax, following publication of The Children's Society's 'Wolf at the Door' report 2015, which shows care leavers to be a group who are particularly vulnerable to falling into Council Tax debt when moving into independent accommodation for the first time.
- 3 As part of the ongoing support to care leavers in its role as Corporate Parent, it is proposed that the council grants a new Mandatory 100% Council Tax Exemption to care leavers aged 18-21, and a new Discretionary up to 100% Council Tax Exemption to care leavers aged 22-25 from 1 April 2017.

1 DETAILS OF RECOMMENDATION(S)

RECOMMENDATION: That Cabinet notes the report and:

- i) As part of the ongoing support to care leavers in its role as Corporate Parent, approves a new 100% Mandatory Council Tax Exemption to care leavers aged 18-21, and a new up to 100% Discretionary Council Tax Exemption to care leavers aged 22-25 from 1 April 2017.
- ii) Agrees to amendments to the council's S13A policy, to include the above, as appropriate.

2 REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

- 2.1 In the Government's care leavers' strategy, Keep on Caring, published in July 2016, councils are encouraged to consider the role of a Corporate Parent 'through the lens of what any reasonable parent does to give their child the best start in life'. In relation to this, local authorities are encouraged to consider exempting care leavers from Council Tax using powers already at their disposal. In August 2016, through their report into homelessness, the Communities and Local Government Select Committee recommended to Government that care leavers be made exempt from Council Tax up to at least the age of 21.

- 2.2 All young people setting up a home for the first time need particular support and guidance at this period of transition. Those who are leaving care often have little choice over accommodation options. While being supported by the council's leaving care service, care leavers are faced with a new set of often overwhelming responsibilities without the wide-ranging family support that most other people can rely upon. Once care leavers have a tenancy they can find it difficult to keep their independent accommodation for a myriad of reasons, including the demands made on their often limited income. Evidence from the Children's Society suggest that care leavers can be vulnerable to homelessness, particularly when they struggle to maintain tenancies.
- 2.3 As a Corporate Parent, the council wants to do as much as possible to support care leavers to find and maintain suitable accommodation and learn how to support themselves without falling into debt. By granting exemption from Council Tax the council will be providing real practical help to those leaving care who are starting out in life on low incomes, whilst they are working to develop budgeting and independent living skills.
- 2.4 A range of local authorities across the country have introduced measures to exempt care leavers from Council Tax, following publication of The Children's Society's 'Wolf at the Door' report 2015, which shows care leavers to be a group who are particularly vulnerable to falling into Council Tax debt when they move into independent accommodation for the first time. As responsible Corporate Parents we want to assist our care leavers to work towards managing independent living in a positive and supportive way.
- 2.5 We will review the impact of the change after one year and report back to children's O&S and the corporate parenting forum.

Table 1: Options to support care leavers

Option	Comments
Introduce a 100% Mandatory Council Tax Exemption for care leavers between the ages of 18-21, and a new up to 100% Discretionary Council Tax Exemption for care leavers between the ages of 22-25 from 1 April 2017. This is the recommended option	This allows care leavers between the ages of 18-25 to easily apply for an Exemption for Council Tax and would be easily administered by the Revenues and Benefits team probably at the same time as completing an application for Council Tax Reduction.
Introduce a grant for care leavers between the ages of 18 – 21 from 1 April 2017 seeking support with Council Tax to be administered through the Grants Panel. This is not recommended	Under this option an application would need to be made and then put forward to the next grants panel. If approved the payment would need to be manually calculated based on the Council Tax banding of the property and then manually processed for payment.

3 KEY IMPLICATIONS

- 3.1 The defined outcome is:

Table 2: Key implications

Outcome	Unmet	Met	Exceeded	Significantly Exceeded	Date of delivery
Care leavers living in accommodation for which they are responsible for Council Tax receive are able to receive an exemption	>01/08/17	01/08/17	15/07/17	01/07/17	Aug 2017

4 FINANCIAL DETAILS / VALUE FOR MONEY

- 4.1 The current cohort of care leavers aged 18-21 currently receiving a service is 53. The total currently living in the Royal Borough is 19, of which, 10 have a Council Tax liability. Of these 10, four are in social housing one bedroom flats and six are in one bedroom flats provided by Frogmore Court (supported accommodation). We have a number of care leavers aged 22-25 years of age but none of them are living in the Royal Borough.
- 4.2 Most of the care leavers are claiming a 25% Single Person Discount and Council Tax Reduction, and therefore, only paying 10% of their remaining 75% Council Tax liability.
- 4.3 A Band D property in one of the unparished areas next year is £1,223.77. A single person would pay £917.82 based on a 25% discount. If the care leaver was not entitled to Council Tax Reduction that would be the amount of Council Tax foregone from the Council Tax collection fund.
- 4.4 The total amount of Council Tax foregone on an annual basis is difficult to forecast but should the 10 care leavers all qualify for a Single Persons Discount and 90% Council Tax Reduction then the estimated amount foregone from the collection fund would be £918. If they only qualify for a Single Persons Discount then the amount would be £9,178.
- 4.5 It is expected that we will see a decrease in emergency payments made to care leavers in crisis as well as further reducing the dependency on services that is experienced by some of our young people.
- 4.6 We are proposing to back date the implementation date of this new Council Tax Exemption to 1 April 2017. Any qualifying care leaver will therefore have any Council Tax paid refunded, or if no payment has yet been made their account will be placed on hold until processed.

5 LEGAL IMPLICATIONS

- 5.1 Under Section 13A of the Local Government Finance Act 1992 the council has the power to reduce liability for Council Tax in relation to particular cases or by determining

a class of cases that it may determine and where national discounts and exemptions cannot be applied.

- 5.2 There are a number of pieces of legislation and statutory guidance that set out the role of the local authority in respect of children in care and care leavers. There are statutory obligations and guidance for the role of the Local Authority as the Corporate Parent in the Children's Act 1989 and 2004, and the Children and Young People Act 2008.

6 RISK MANAGEMENT

- 6.1 There are no risks associated with the introduction of this Council Tax Exemption.

7 POTENTIAL IMPACTS

- 7.1 A key statutory duty within the Equality Act 2010 is the requirement to advance equality of opportunity between different groups/people, who share a relevant protected characteristic and persons who do not share it; by encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.
- 7.2 A child or young person may come into care as a result of temporary or permanent problems facing their parents, as a result of abuse or neglect, or as a result of a range of difficulties, including not having a parent to care for them. National research indicates that this group is significantly disadvantaged in a range of outcomes compared to peers.
- 7.3 In accordance with our equality duty, this proposal will therefore result in more favourable treatment being applied to our care leavers, in order to advance equality of opportunity, with the overall aim of removing financial barriers, resulting in increased opportunities for employment, education and/or training opportunities.

8 CONSULTATION

- 8.1 No consultation has been carried out at this stage, however we will review the impact and effectiveness of the scheme at the end of financial year 2017-18 with the young people's group, Kickback. This will be shared with Children's Overview and Scrutiny and the Corporate Parenting Panel.

9 TIMETABLE FOR IMPLEMENTATION

- 9.1 The following table shows the stages and deadlines for implementing the recommendation:

Table 3: Implementation timetable

Date	Details
30/05/17	Cabinet meeting
01/08/17	Exemption implemented (backdated to 1 April 2017)

10 APPENDICES

10.1 None.

11 BACKGROUND DOCUMENTS

11.1 The following background documents provide additional information.

http://www.childrenssociety.org.uk/sites/default/files/wolf-at-the-door_council-tax-debt-collection-is-harming-children_PCR027a_WolfAtTheDoor_Web.pdf

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/535899/Care-Leaver-Strategy.pdf

<http://www.publications.parliament.uk/pa/cm201617/cmselect/cmcomloc/40/40.pdf>

12 CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Commented & returned
Cllr Airey	Lead Member for Children's Services	18/05/17	18/05/17
Alison Alexander	Managing Director	18/05/17	18/05/17
Russell O'Keefe	Executive Director		
Andy Jeffs	Executive Director		
Rob Stubbs	Section 151 Officer		
Terry Baldwin	Head of HR		
Mary Kilner	Head of Law and Governance		
Kevin McDaniel	Director of Children's Services	18/05/17	19/05/17

REPORT HISTORY

Decision type: Key decision	Urgency item? Yes - This report relates to a Care Leavers Council Tax Exemption. The reason for the urgency is that as responsible Corporate Parents we want to assist our care leavers to work towards managing independent living in a positive and supportive way.
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