

Report Title:	Extend Council tax exemption for RBWM Care Leavers up to age 25
Contains Confidential or Exempt Information	No - Part I
Cabinet Member:	Cllr S Carroll, Cabinet Member for Adult Social Care, Children Services, Health and Mental Health
Meeting and Date:	Cabinet - 28 October 2021
Responsible Officer(s):	Lin Ferguson - Director of Children's Social Care
Wards affected:	All

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## **REPORT SUMMARY**

The Children and Social Work Act 2017 introduced a new duty on local authorities to extend their support to all Care Leavers up to the age 25, up from the age of 22. What constitutes support is not defined by legislation and is a matter for individual council policy. One element often considered is the provision of a Council Tax exemption for Care Leavers living within the council area.

In the Royal Borough of Windsor and Maidenhead, Care Leavers up to their 22nd birthday, are exempt from paying Council Tax, with discretion for those up to the age of 25. Many councils have extended the mandatory policy to the age of 25.

For Care Leavers of any age who do not live within the borough, this exemption does not apply. Some local authorities offer payments towards the cost of Council Tax in this scenario, with different age ranges. At the current time, Care Leavers who are the responsibility of the Council in other council areas do not receive such a payment.

The Corporate Parenting Forum considered this position and recommended that the Royal Borough of Windsor and Maidenhead should extend the existing Council Tax exemption to Care Leavers up to the age of 25 who live within the borough. The Corporate Parenting Forum also recommended that consideration is given to equity for our Care Leavers who do not live within the borough and provide assistance towards the cost of Council Tax paid to other authorities, equivalent to RBWM rates.

This report therefore sets out the likely volume and costs of the recommendations of the Corporate Parenting Forum and recommends the adoption of both policies, subject to detailed development of the terms of the offer.

### **1. DETAILS OF RECOMMENDATION(S)**

**RECOMMENDATION:** That Cabinet notes the report and:

- i) **Extends the mandatory Council Tax exemption to Care Leavers living in the borough, up to the age of 25.**
- ii) **Provides Care Leavers up to the age of 25, living out of the borough and who pay Council Tax, an allowance towards their Council Tax costs equivalent to that received by Care Leavers living in the borough.**
- iii) **Delegates the approval of the details of both schemes to Executive Director of Children’s Services in consultation with the Cabinet Member for Adult Social Care, Children Services, Health and Mental Health and the Cabinet Member for Finance.**

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

### Options

**Table 1: Options arising from this report**

<b>Option</b>	<b>Comments</b>
Extend mandatory Council Tax exemption up to the age of 25 for Care Leavers who are liable and reside within the borough.  <b>This is the recommended option</b>	<ul style="list-style-type: none"> <li>- All Care Leavers living in the borough would be exempt from paying Council Tax up to the age of 25 in line with the Children and Social Work Act 2017.</li> </ul>
Leave the current policy at the age of 22 rather than 25.  <b>This is not recommended.</b>	<ul style="list-style-type: none"> <li>- This means we would be liable to challenge from Care Leavers aged 23-25 as the policy would equally reflect the Children and Social Work Act 2017.</li> </ul>
Extend financial assistance, up to the value of RBWM Council Tax exemptions for Care Leavers up to the age of 25 who are liable for Council Tax in another local authority area. <b>This is the recommended option</b>	<ul style="list-style-type: none"> <li>- The Council provides the equivalent financial support to all Care Leavers up to the age of 25.</li> <li>- This is a local policy choice for the council as corporate parents.</li> </ul>
Leave the current policy of not providing support for out of area Care Leavers. <b>This is not recommended.</b>	<ul style="list-style-type: none"> <li>- This means we would continue to have a different experience for Care Leavers based on where they live.</li> </ul>

2.1 It is well documented that many ‘care experienced’ young people are significantly disadvantaged compared to their peers. Their transition to

adulthood is often challenging and can be a time of great stress. They often do not have the robust and dependable family support networks that other young people have to help facilitate this transition and to offer a safety net whilst they adjust and adapt to adult life. It is therefore important that we expand and build on our corporate parenting responsibilities to support all of our young people. The Children and Social Work Act 2017 introduced a new duty on local authorities to extend their support to all Care Leavers up to the age 25.

- 2.2 Achieving for Children (AfC) has aligned with the new extended duty by providing young people with continued access to a Personal Advisor up to the age of 25. The entitlement document has been reviewed to help support our young people as effectively as possible, offering them greater opportunities to make a successful transition into adulthood and independent living. This is a very challenging time for our Care Leavers and The Royal Borough of Windsor and Maidenhead recognised this when it agreed that Care Leavers up to their 22nd birthday and living in the borough should be exempt from paying Council Tax. However, now that our corporate parenting duties have been extended up to the age of 25, this position needs to be reconsidered, so that Care Leavers between the ages of 22 and 25 are given the same mandatory support rather than relying on the current discretionary scheme.
- 2.3 Given the limited housing options available to Care Leavers within the borough, many of our young people do not live locally. For those Children in Care placed out of the borough, when they become Care Leavers, they may have to build a life in another area. These Care Leavers do not have access to local offers in the same way as those who benefit from living within the borough. The support available to our Care Leavers living out of the borough is largely dependent on the local authority area in which they live and whether they are offered any additional consideration as a Care Leaver.
- 2.4 When a Child in Care transitions to adulthood and becomes a Care Leaver in another local authority area, a request is made to the 'host' local authority to establish what offers they may have for Care Leavers living in their area. In our experience, this is very limited, and we do not have any Care Leavers who live in another borough where Council Tax exemption is in place. As such we continue to see inequality between the offers given to our Care Leavers depending on where they live. It is therefore important to consider whether the Council, as their Corporate Parents, should also financially support the payment of Council Tax to Care Leavers up to the age of 25 living out of the borough, equivalent to what they would receive if they lived within RBWM.
- 2.5 Some of our partner agencies and other local authorities have made adjustments to reflect their commitment to Care Leavers as a result of the extended duty. The Department of Work and Pensions (DWP) has extended the exemption to Care Leavers from a shared room rate from age 21 to age 25, which took effect from June 2021.
- 2.6 Within Berkshire, Slough have amended their duty to support Care Leavers with Council Tax both in and out of the borough, allowing them exemption from Council Tax liability up to the age 25 for 'in borough' and providing financial support for those Care Leavers 'out of borough'. Another South East District Council uses a phased scheme within this policy to encourage forward financial planning by young people.

- 2.7 There are several Councils which have established how to apply the policy of supporting Care Leavers with the costs of these schemes. For example, some schemes ensure that all existing reliefs and benefits are used before allowances are paid, and officers will include those examples of best practice when developing the details of the scheme should the policy recommendations be agreed.

### 3. KEY IMPLICATIONS

- 3.1 The financial success of this would not be recognised quickly. This would come from reducing the need for additional services later in the journey of a Care Leaver. The immediate impact would be the positive feelings experienced by our Care Leavers. Mental health and financial safety are strongly linked. Financial relief and the feeling of being supported can avoid anxiety about money, having trouble sleeping, feeling angry or fearful, mood swings, tiredness, loss of appetite, and social withdrawal. This financial support is something that a good parent would do.
- 3.2 Making this change will allow our Care Leavers some financial reprieve to enable them to focus on other priorities, such as building their independence skills. Generally, when a Care Leaver is claiming Universal Credit they have no expendable income and are not able to put money aside for unforeseen expenses. This can have a significant impact, leaving many Care Leavers anxious about their financial pressures. The exemption or financial support will allow them a longer period to adjust to the demands of their new financial responsibilities and establish their independent living before adding this additional financial burden. As such, it is expected that the additional financial support will have a positive impact on the wellbeing of those for whom we have corporate parenting responsibilities.
- 3.3 Whilst this is difficult to quantify, it is expected that in the long term, Care Leavers who are financially more secure and experience less anxiety about their ability to manage, may result in fewer services being required as an adult. It is therefore predicted that this will have a longer term financial gain, but of more importance, it will be of benefit to those for whom we have corporate parenting responsibilities.

**Table 2: Key Implications**

<b>Outcome</b>	<b>Unmet</b>	<b>Met</b>	<b>Exceeded</b>	<b>Significantly Exceeded</b>	<b>Date of delivery</b>
Care Leavers living within the borough are exempt from paying Council Tax up to the age of 25 and Care Leavers	Not approved	Approved and fully operational by 1 January 2022	Approved and in place by 1 December 2021.		

Outcome	Unmet	Met	Exceeded	Significantly Exceeded	Date of delivery
living 'out of borough' are equally supported by the Council.					

#### 4. FINANCIAL DETAILS / VALUE FOR MONEY

##### In Borough

- 4.1 We have a total of 26 care leavers aged 18-21 living in RBWM, of those; 15 have a Council Tax liability but with an exemption in place.
- 4.2 There are a total of 27 Care Leavers aged 22-25 living in the borough. Of those, 11 have no Council Tax liability, 16 have Council Tax liability and are paying some level of Council Tax. If the recommendation is accepted, it will mean that these 16 additional young people living in the borough, will not be liable to pay Council Tax.
- 4.3 Having forecast future numbers of Care Leavers over the next three years, we have estimated that the number of new exemptions will increase by an average of 5 Care Leavers per financial year. This will be offset against the Care Leavers who will reach the age of 25 years and will no longer be eligible for financial support. We have calculated this to be 9 in 2021/22, 6 in 2022/23 and 3 in 2023/24.
- 4.4 The indicative financial impact of agreeing to the exemption for Care Leavers resident within the borough aged between 22-25 has been calculated on an average payment of £1,100 totalling £17,600 in 2021/22 followed by £23,520 and £28,510 in the following two financial years, with estimated 2% increase in the payment in the following financial years. Similar estimates have been made for the Care Leavers who will no longer get support and this equates to a reduction of £9,900 in this year, £6,720 and £3,430 in the following financial years.

**Table 3: Estimated financial impact of in borough recommendation**

REVENUE COSTS	2021/22	2022/23	2023/24
Additional total	£17,600	£23,520	£28,510
Reduction	(£9,900)	(£6,720)	(£3,430)
Net Impact	<b>£7,700</b>	<b>£16,800</b>	<b>£25,080</b>

- 4.5 The actual impact of implementing the policy will be dependent on the details of the scheme, such as the use of phased discount levels, and show as reduced income for the Council Tax budget, however the impact will be included in the overall Children's Services budget following a review of the overall support provided to Care Leavers.

## Out of Borough

- 4.6 We have a total of 35 Care Leavers 18-25 living out of the borough. Of those, 19 have no Council Tax liability and 16 have a Council Tax liability (of which 11 are claiming some local Council Tax support). The remaining 5 Care Leavers are in employment and are paying the full Council Tax liability.
- 4.7 It is proposed that Care Leavers would be paid an allowance equal to their actual Council Tax liability (including precepts) on presentation of their annual bill. This allowance will be capped at the unparished Band B value of £1,240.54 for 2020/21.
- 4.8 Having forecast our number of Care Leavers over the next three years, we have calculated that the number of exemptions will increase by an average of approximately 2 Care Leavers per financial year. This will be offset against the Care Leavers who will reach the age of 25 years. This has also been calculated at an average of 2 young people over the next three years.
- 4.9 The indicative financial impact of agreeing to the exemption for the current Care Leavers who reside outside of the borough is set out in table 4 and has been estimated as £5,500 for 2021/22 and £7,840 and £7,980 in future years. Reduction in financial support for Care Leavers who will be 25 + years; at an average estimate at 2 within the following financial years, will result in cost reductions of £2,200, £2,240 and £2,280.

**Table 4: Out of Borough**

<b>REVENUE COSTS</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
Additional total	£5,500	£7,840	£7,980
Reduction	(£2,200)	(£2,240)	(£2,280)
Net Impact	<b>£3,300</b>	<b>£5,600</b>	<b>£5,700</b>

- 4.10 The actual costs of this policy will be dependent on the details of the scheme, including the use of any local benefits, such as single person discounts. Any remaining impact will be met from the Children's Services budget as set out in 4.5.

## 5. LEGAL IMPLICATIONS

- 5.1 There are no legal implications other than the Council prioritising its duty as corporate parents and ensuring our Care Leavers are offered every opportunity, wherever they live, to have the best possible start to their adult lives.

## 6. RISK MANAGEMENT

- 6.1 If this is not agreed, we will risk our Care Leavers becoming more disadvantaged and the financial strains preventing them from becoming fully independent and well settled adults in the community.

- 6.2 In addition, RBWM risks falling behind other local authorities in this area of championing the needs of our Care Leavers if the in-borough policy is not extended.
- 6.3 The young people have also voiced their desire and need for this exemption saying it would give them less worries and improve their quality of life whilst they make the transition to independent living.
- 6.4 This can also be considered as an offset against future financial support, as it will positively impact on their ability to be financially responsible, avoiding AfC contribution should they fall into arrears.
- 6.5 In some cases, this support may avoid potential issues of homelessness.

**Table 5: Impact of risk and mitigation**

<b>Risk</b>	<b>Level of uncontrolled risk</b>	<b>Controls</b>	<b>Level of controlled risk</b>
A significantly increased financial demand on RBWM	Low	This can be tracked via data annually which can inform future predictions of service demand.	Low
Lack of interest from young people	Low	Personal Advisors will ensure that all care leavers are aware of the support available to them	Low

**7. POTENTIAL IMPACTS**

- 7.1 Equalities. This exemption will be inclusive of all Care Leavers up to age 25 living ‘in borough’ and ‘out of borough’ in line with the extended duties as outlined above.
- 7.2 Climate change/sustainability. There will be no direct impact on climate change and sustainability through the extended exemption of Council Tax. It may support some Care Leavers to have a choice of where they live which could include more energy efficient properties
- 7.3 Data Protection/GDPR. Care Leavers personal details must not to be shared as part of the process without consent.

**8. CONSULTATION**

- 8.1 Our entire cohort of Care Leavers have been emailed and many consulted on a one to one basis by their Personal Advisors, Team Manager and Associate Director in partnership with the Youth Engagement Officer as part of our Care Leavers Forum. The resounding comments are in support of increasing the exemption of paying Council Tax/equivalent financial support from the age of 22 to 25 years of age no matter where a Care Leaver lives.

## 8.2 These are some of the comments made by young people who were consulted.

“This would mean I could officially afford to live in my own place and save money, where otherwise I am paralysed with fear at the idea of paying council tax”

“Being exempt from council tax until I’m 25 will help me dramatically. I am on a decent wage for my age. But due to the fact I live by myself I am in debt every month just to survive. By having some or all of my council tax paid for until I’m 25 means that I can stabilise my finances over the years and potentially get to a place where I can start saving money. By the time I’m 25 my wage should have increased which would mean I will have more flexibility with my finances to pay my council tax. I would like to feel like a normal 20-year-old just sometimes so that I could also enjoy my time with my friends. Having extra bills than most people my age means I have to sacrifice or miss out on a lot all due to finances. I was also on antidepressants for years all due to finances and feeling like I can’t do anything socially; knowing my council tax is covered until I’m 25 would just be the biggest lift off my shoulders. As care leavers it’s not our ideal choice to be thrown into adult life paying for everything when most young adults would still be living at home. Also, since I moved into my flat my bills have increased every year which means even when my wage goes up I don’t see anything from it as it goes straight onto the extra cost of my bills. I have worked full time straight from leaving school and have always been very good with my money and I still manage to struggle every month which sometimes demotivates me to keep a job. I often think to myself I might as well quit my job and have all my bills paid for plus extra money to live off rather than work extremely hard 5 days a week, 9 hours a day to not even break even. I’ve been at my current job 3 years and I think having just that little extra support for longer would make a world of difference not just for me but for everyone.”

“Not having to pay Council Tax until I am 25 would mean the freedom to start my adult life and live for a couple of years, building savings and starting my career, without the burden of living alone parentless. Everyone knows that after 18 young people have the option of coming back home if the cost of living gets too high so they can save up for a while. Ex-foster care young people don’t get that so this is a welcome equaliser for young people with the unfortunate luck of having parents who aren’t there”

“We don’t have the help that other people have. We can’t just pick up the phone to ask mum or dad for a loan to start college or university or put a deposit on a flat. Any savings that we can make for however long is definitely of benefit to us and gives us some extra time to save money”

“If the age of being exempt from paying council tax went from 21 to 25 it would give me the opportunity to save that money and put it towards something else, like my first car”

“It is so difficult to save money when you are a Care Leaver as there are so many things we have to pay for out of our own money and if you are just

receiving universal credit its impossible to have any extra money available at the end of each month. This would help me save some money.”

"It would be 4 years of being able to save what would be paid in council tax to make our future better e.g. by putting it towards a deposit to buy a place or having that extra money so if something goes wrong or brakes there's that little bit of money we don't have to worry about"

"It would mean a lot I wouldn't have to worry about finances, and I could live comfortably also would mean I could spend that money elsewhere on things I need"

“Not having to worry about more bills would be such a relief as many care leavers have financial vulnerabilities.”

“Well, it would be a weight off my shoulders because council tax is expensive, and I think being so young and having no choice but to fend for yourself is hard enough without an added bill”

"I think it would just help ease stress and allow people to focus on more important things like working or University work instead of stressing over money and bills"

## **9. TIMETABLE FOR IMPLEMENTATION**

- 9.1 Implementation date if not called in: Immediately. The full implementation stages are set out in table 5.

**Table 6: Implementation timetable**

<b>Date</b>	<b>Details</b>
October 2021	Cabinet decision.
November 2021	Implementation
December 2021	Delivery

## **10. APPENDICES**

- 10.1 There are no appendices to this report.

## **11. BACKGROUND DOCUMENTS**

- 11.1 No background documents are referenced in this report.

## 12. CONSULTATION

Name of consultee	Post held	Date sent	Date returned
<i>Mandatory: Statutory Officers (or deputy)</i>			
Adele Taylor	Executive Director of Resources/S151 Officer	13/10/2021	15/10/21
Emma Duncan	Deputy Director of Law and Strategy / Monitoring Officer	13/10/2021	14/10/2021
<i>Deputies:</i>			
Andrew Vallance	Head of Finance (Deputy S151 Officer)	13/10/2021	15/10/21
Elaine Browne	Head of Law (Deputy Monitoring Officer)	13/10/2021	
Karen Shepherd	Head of Governance (Deputy Monitoring Officer)	13/10/2021	
<i>Other consultees:</i>			
<i>Directors (where relevant)</i>			
Duncan Sharkey	Chief Executive	13/10/2021	14/10/21
Andrew Durrant	Executive Director of Place	13/10/2021	
Kevin McDaniel	Executive Director of Children's Services	13/10/2021	14/10/2021
Hilary Hall	Executive Director of Adults, Health and Housing	13/10/2021	18/10/2021
<i>Heads of Service (where relevant)</i>			
Nikki Craig	Head of HR, Corporate Projects and IT	13/10/2021	
Louisa Dean	Communications	13/10/2021	
Louise Freeth	Head of Revenues, Benefits, Library and Residents Services	13/10/2021	14/10/2021
<i>External (where relevant)</i>			

Confirmation relevant Cabinet Member(s) consulted	Cabinet Member for Children's Services through the Corporate Parenting Board.	Yes
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## REPORT HISTORY

Decision type:	Urgency item?	To follow item?
Non-key decision	No	No

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