

## PROPOSED COUNCIL TAX DISCOUNT FOR CARE LEAVERS

### 1. Key issues and reasons for recommendation(s)

#### 1.1 Background

- 1.1.1 Billing Authorities have the power to allow a council tax discount under s13A of the Local Government Act 1992 (as amended), for individual cases or a class of cases.
- 1.1.2 Billing Authorities are being encouraged to offer a reduction in Council tax for care leavers as part of efforts to help them avoid getting into debt and give them more time to learn how to manage their finances. This follows the recommendations made in the Government's care leaver's strategy, "Keep on Caring" (July 2016). The Communities and Local Government Select Committee also recommended to Government in their report into homelessness (August 2016) that care leavers should not be required to pay Council tax until they are 21.
- 1.1.3 As a corporate parent, Suffolk County Council has a responsibility to support care leavers while they are developing the skills and confidence to live independent lives and learn vital life skills. Under the Children (Leaving Care) Act 2000, there is a duty to improve the life chances of young people living in and leaving care, meaning that there must be a plan for these individuals so that they have the support needed to make the transition to a successful adult life.
- 1.1.4 The Children and Social Work Act 2017 sets out new provisions for care leavers to come into force on 1 April 2018. Section 2 of the Act requires local authorities to consult on and publish a local offer for their care leavers. This should include information about their statutory entitlements, as well as any discretionary support that a local authority may choose to provide. The draft statutory guidance for local authorities states that it may be appropriate or necessary to provide a differentiated service to children in care or care leavers, and that this is particularly relevant to administration of housing benefit, council tax and access to leisure services.
- 1.1.5 The 2017 Act also places a duty on **district** councils to have regard to children in care and care leavers when carrying out their functions. This complements West Suffolk Council's existing duty to co-operate and its legal obligation to assist in re-housing/securing support.
- 1.1.6 Research has shown that care leavers often have to start living independently much earlier than their peers and to take on more financial responsibility, when they might be on a low income and without the same family support network.
- 1.1.7 A 2017 Children's Society briefing note <https://www.childrensociety.org.uk/sites/default/files/briefing-council-tax-exemption.pdf>, recommending a council tax exemption for care leavers cited research by the Centre for Social Justice that found that 57% of young people find it difficult managing their money and avoiding debt when leaving care.

- 1.1.8 This is further reinforced by research from the Joseph Rowntree Foundation that outlines how 'accumulation of debt, threats to their tenancies and their inability to avoid this through careful budgeting' were issues of continuing concern for care leavers.
- 1.1.9 Work undertaken by Rochdale Council, found that 77% of their care leavers were behind with their council tax payments.
- 1.1.10 Children and young people who are looked after are amongst the most vulnerable groups in our community. A good corporate parent should have the same aspirations for a child in care or a care leaver as a good parent would have for their own child. By granting a discount on council tax for the first few years of independent living, West Suffolk Council would potentially be providing practical help and financial assistance of great value to care leavers at a very vulnerable stage in their transition from care.

## 1.2 **The proposal**

- 1.2.1 Suffolk Public Sector Leaders agreed to recommend to their individual councils that a Suffolk-wide discount for care leavers should be introduced. The discount would be a 100% reduction for care leavers living alone, with other care leavers, or others who are disregarded for council tax purposes (e.g. full-time students). Care leavers will also be disregarded for council tax purposes so that if they live with a single occupier, that person will not lose their 25% discount.
- 1.2.2 Suffolk County Council has offered to support a local discount for care leavers by contributing funding towards the cost of council tax discounts equal to their precept share of the council tax. West Suffolk would therefore bear the remaining cost of the discount (22%) if agreed.
- 1.2.3 A care leaver discount would be allowed only after the award of any statutory Council tax discounts (except Council tax Reduction) e.g. single person discount.
- 1.2.5 A Care Leaver is defined as a person aged 25 or under, who has been looked after by a local authority for at least 13 weeks since the age of 14; and who was looked after by the local authority at school-leaving age or after that date.
- 1.2.6 The discount will complement a wider set of measures that Suffolk County Council has in place to support care leavers, including support to live independently and to manage their own finances.

## 2. **Cost**

- 2.1 The cost of allowing a discount under s13A falls directly on the Billing Authority (West Suffolk) and therefore its council tax payers. However, in this case Suffolk County Council would fund a proportion of the cost based on its precept share.

- 2.2 There are currently 76 Care Leavers aged under 25 years within West Suffolk. The upper limit of the likely cost of the scheme, based on an average Band B dwelling with a single person discount, the cost of awarding a care leaver discount would be £68K per annum.
- 2.3 As Suffolk County Council have agreed to fund their share, the cost to West Suffolk Council would therefore be a maximum of £15K per annum. Obviously this is an estimate based on the current years charge and current caseload and would vary from year to year.
- 2.4 In reality the cost is likely to be much less as we would not expect the majority of care leavers to be the sole council tax payer, for example, they may live with former foster carers, with a partner or friend or a House in Multiple Occupation, so the discount would not apply.
- 2.5 The costs of the scheme that do fall to West Suffolk will be shared between existing council tax payers. The impact on individual council tax payers is likely to be extremely small, given the cost of the scheme and number of council tax payers in West Suffolk.
- 2.6 On the other hand, the aim of the scheme is that the benefit to care leavers could have a consequent positive effect. For example, the proposal may result in a decrease in the number of emergency payments made to care leavers in crisis; a reduction in the number of debt recovery enforcement actions against young people (£280 per case); and a reduction in the dependence and therefore cost burden of care leavers on other services.

### **3 Engagement**

- 3.1 West Suffolk Council officers have spoken to colleagues in the Suffolk County Council Engagement Hub who have regular contact with care leavers through monthly meetings and the C2C Children in Care Council. Engagement Hub officers emphasised what an important issue money management was for care leavers as they move from weekly to monthly budgeting as they leave care.
- 3.2 SCC has also sought direct feedback from care leavers about the likely impact of a discount, which has told the council that not being eligible for council tax would be a positive step for care leavers in their journey to independence.

### **4 Adoption of the proposed discount across Suffolk**

- 4.1 All of the Suffolk district councils are intending to introduce a discount scheme for careleavers and so similar reports are being considered in parallel by the other billing authorities (for example, East Suffolk's Shadow Cabinet unanimously approved a parallel proposal on 10 December 2018).

### **5 Appraisal of the proposal**

- 5.1 An Equality Impact Assessment has been prepared and is available

5.2 The following potential risks and mitigations have been identified:

<b>Risk area</b>	<b>Inherent level of risk (before controls)</b>	<b>Controls</b>	<b>Residual risk (after controls)</b>
Risk of new policy not being implemented by staff	Medium	Training and guidance given to staff	Low
Risk of need of additional resource to support the implementation of the discount	Low	Capita Revenues System designed to allow the introduction of discretionary discount with limited impact on resource	Low
There is low take-up of the discount as care leavers may not be aware of their entitlement, if they are not the council tax payer within the household	Medium	Explanatory materials will be provided to support care leavers in accessing the discount	Low