

## **Report to Cabinet**

**Subject:** Care Leavers' Council Tax Reduction Scheme

**Date:** 8<sup>th</sup> March 2018

**Author:** Revenues Manager

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### **Wards Affected**

All

### **Purpose**

The purpose of this report is:

- 1) To seek approval for the Council's guidance, at Appendix 1 to this report, for determining applications for a reduction in council tax for persons leaving care and living in the Borough of Gedling.
- 2) To delegate to the Director responsible for Revenues and Welfare Support Services the authority to determine applications for discretionary reduction in council tax under section 13A(1)(c) of the Local Government Finance Act 1992 in relation to persons leaving care and living in the Borough of Gedling in line with the guidance at Appendix 1 to this report.

### **Key Decision**

This is not a key decision.

### **Background**

- 1.1 Corporate parenting is a statutory function of the Council. The underlying principle is that every local authority will seek the same outcomes for children and young people in care that every good parent would want for their own children.
- 1.2 Looked after children and care leavers are amongst the most vulnerable groups in society. Many will have suffered abuse or neglect. Research advises that care

leavers show significantly lower academic achievement, are more likely to be unemployed, to have mental health needs, be homeless and be disproportionately represented in prison. Care leavers tend to leave home at a younger age and have more abrupt transitions to adulthood than their peers. Unlike many of their peers who normally remain in the family home, care leavers will often be living independently at age 18. As corporate parent, the Council wants to make sure that young people's experiences leaving care and moving into independent living are positive and improve their life chances.

- 1.3 Managing budgets can be very challenging for most people on low incomes, none more so than vulnerable young people as they transition into adulthood, adjusting to living by themselves. Care leavers whose transition is often 'not of choice' and whose life experiences are often characterised by trauma and limited support networks are more likely to find it even more difficult than their counterparts.
- 1.4 The Government's report entitled "*Keep on Caring*", published in July 2016, encourages local authorities and their partners 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'. Furthermore, nationally care leavers have consistently reported they were insufficiently prepared for the realities of living independently, particularly in relation to budgeting. The Government's report is attached as a background paper to this report.
- 1.5 A March 2015 report by The Children's Society "*The Wolf at the Door: How council tax debt collection is harming children*" suggests that care leavers are a particularly vulnerable group for council tax debt. It found that when care leavers move into independent accommodation and they begin to manage their own budget fully for the first time, that this is a challenging time for care leavers, particularly if they are falling behind on their council tax. The Children's Society report made a number of recommendations, including making care leavers eligible for a council tax reduction. This would help to relieve some of that initial pressure and would sit alongside a number of other financial support arrangements available to care leavers. The Children's Society's report is attached as a background paper to this report.
- 1.6 The Council has the discretion to reduce the council tax liability for individuals or prescribed groups as it thinks fit. This discretion is exercised in accordance with section 13A(1)(c) of the Local Government Finance Act 1992.
- 1.7 For the purposes of this report, and the guidance at Appendix 1 to this report, a care leaver is defined as a person aged between 16 and 25, who is currently resident in the Borough with a council tax liability and:
  - i. has been in the care of a local authority (looked after) for a period, or cumulative periods equalling at least 13 weeks since the age of 14 and which ended on or after their 16<sup>th</sup> birthday, or;

- ii. is aged between 16 and 21 and with respect to whom a guardianship order is in force (or was in force on their 18<sup>th</sup> birthday) and was looked after immediately before the making of that order, or;
- iii. at any time after their 16<sup>th</sup> birthday but before their 18<sup>th</sup> birthday, was, but no longer is, looked after, accommodated or fostered.

This definition incorporates the statutory definitions of “former relevant child” and “qualifying care leaver” as defined in the Children Act 1989.

1.8 Nottinghamshire County Council has provided figures on the County’s defined care leavers as at 5<sup>th</sup> February 2018. These figures are detailed in the table below:

<b>Local Authority</b>	<b>Nottinghamshire County Council defined care leavers</b>
Ashfield District Council	104
Bassetlaw District Council	77
Broxtowe Borough Council	43
Gedling Borough Council	44
Mansfield District Council	103
Newark & Sherwood District Council	65
Rushcliffe Borough Council	33

1.9 The Council currently runs a council tax reduction scheme (CTRS) which grants a reduction to council tax payers based on an assessment of their means to pay. In practice, it is estimated that a proportion of care leavers will fall into the scope of the CTRS scheme and will therefore not require any further reduction in their council tax. However, the care leavers’ reduction will still act as a top up in reduction for any care leavers who do not receive CTRS at 100%.

1.10 Offering council tax assistance to care leavers in the Borough of Gedling aligns with the Council’s vision to be a compassionate Council that reaches out to the lonely and marginalised and encourages others to do the same.

1.11 The granting of a reduction would also meet the Council’s priority in the Gedling Plan in relation to reducing hardship and providing support to the most vulnerable.

1.12 The guidance at Appendix 1 to this report sets out in more detail how the discretion should be exercised in practice.

## **Proposal**

2.1 It is proposed that the guidance at Appendix 1 (termed Care Leavers' Council Tax Reduction Guidance) is approved for use in the determination of applications for care leavers’ reductions.

- 2.2 It is proposed that Cabinet allows the determination of a discretionary reduction in relation to care leavers' reduction in line with the guidance (Appendix 1) to be delegated to the Director responsible for Revenues and Welfare Support Services.

### **Alternative Options**

- 3.1 An alternative to the first proposal would be to not approve the guidance and not offer a council tax reduction to care leavers. The position would remain the same; however, this would not give care leavers the extra support recommended by the Children's Society report or assist such individuals in their transition into independent living and adulthood.
- 3.2 An alternative to the second proposal would be to report each application for local discretionary relief to the Portfolio Holder for Resources and Reputation for his determination. This would place a burden on the Executive which is not considered necessary where there is adopted guidance available for the determination of such reductions.

### **Financial Implications**

- 4.1 The Council does not currently have the software to administer such a reduction in council tax. The cost of purchasing this software is £5,700 plus an ongoing annual maintenance fee of £1,100. This amount will be met from existing budgets.
- 4.2 The Council does not yet have a full understanding of this demographic but it may be that the majority of care leavers fall within the scope of existing reductions under CTRS. If this is the case, then there will be no further reduction in the council tax collected and no additional cost to the Council. However, if a further reduction is required in this demographic, then the worst case scenario would be a maximum decrease in collected council tax of £51,900 per annum. This maximum estimate is based on all 44 care leavers in 2017/18 living independently for a full year each in a band A property in the Borough.
- 4.3 Of the estimated maximum reduction in collected council tax, approximately £5,200 would be met by Gedling with the remaining £46,700 met by the other major precepting authorities.
- 4.4 This reduction is not means tested and will be granted to anyone meeting the eligibility criteria as set out in Appendix 1 to this report.

## **Appendices**

5.1 Appendix 1 – Gedling Borough Council Care Leavers' Council Tax Reduction Guidance.

## **Background Papers**

6.1 MHCLG Council Tax Information Letter – 21<sup>st</sup> December 2016

6.2 [Department for Education, Keep on Caring – July 2016](#)

6.3 [The Children's Society – The Wolf at the Door – March 2015](#)

6.4 [The Children's Society – A Local Offer for Care Leavers – November 2017](#)

## **Recommendations**

THAT CABINET:

- (a) approve the Council's guidance, at Appendix 1, for determining an application for a reduction in council tax for persons leaving care and living in the Borough of Gedling.
- (b) delegates to the Director responsible for Revenues and Welfare Support Services the authority to determine applications for discretionary reduction in council tax under section 13A(1)(c) of the Local Government Finance Act 1992 in relation to persons leaving care and living in the Borough of Gedling in line with the guidance at Appendix 1.

## **Reasons for Recommendations**

- 7.1 It is considered that the financial impact of granting a reduction in council tax to care leavers is minimal compared to the positive impact such a reduction could have on individuals' lives.
- 7.2 The Council has a corporate parenting responsibility and it is considered that this reduction in council tax contributes to the Council's role as a corporate parent.
- 7.3 The delegation is requested in order to ensure that no unnecessary burden is placed on the Executive.