
REPORT FOR: CABINET

Date of Meeting:	18 January 2017
Subject:	Local Council Tax Discount Scheme for Care Leavers
Key Decision:	Yes
Responsible Officer:	Chris Spencer, Corporate Director of People Dawn Calvert, Director of Finance
Portfolio Holder:	Adam Swersky, Portfolio Holder for Finance and Commercialisation
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All
Enclosures:	Appendix 1 – Care Leavers Discount Scheme

Section 1 – Summary and Recommendations

This report seeks approval to provide 100% discount from the payment of Council Tax to care leavers who live in the Borough aged 18, 19, 20 and 21 years.

Recommendations:

Cabinet is requested to make the following decision:

1. To agree that the Authority exercises its discretion under Section 13A (1)(c) (Local Government Finance Act 1992) to apply a new Care Leavers Discount Scheme (CLDS) as set out in Appendix 1.

Reason: (For recommendations)

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.

Research by the Children's Society has found that council tax debt collection is harming care leavers as they are a particularly vulnerable group for council tax debt. It found that often, when care leavers move into independent accommodation, they begin to manage their own budget fully for the first time – this can be a challenging time for care leavers, particularly if they are falling behind on their council tax.

Creating a Care Leavers Discount Scheme will ensure care leavers are eligible for council tax discounts. This will help to relieve some of that initial pressure and would sit alongside a number of other financial support arrangements available to care leavers.

Section 2 – Report

Introductory paragraph

2.1 As at the end of October 2017, there were 120 care leavers. A care leaver is defined as a person who has been in the care of the local authority (looked after) for at least 13 weeks since the age of 14 and who was in care on their 16th birthday. Local authorities must plan for cared for children so that they have the support they need as they make their transition to the responsibilities of adulthood. The local authority's responsibility to care leavers extends until they reach the age of 21.

The Children and Social Work Act 2017 is intending to bring in additional duties for local authorities. Although these duties are not yet in force, it is envisaged that they will be brought into force in the next few months. These additional duties will include a duty, when carrying out functions in relation to children and young people who are looked after children and care leavers, to have regard to the need for them to have stability in their home lives and to prepare them for adulthood and independent living. These duties will apply to care leavers under the age of 25.

2.2 The Government strategy Keep on Caring – supporting young people from care to independence – July 2016 confirms that the corporate parenting should apply in relation to provision of all the services that the local authority provides, not just the Children's Services department. The strategy recommends that local authorities consider discounts and exemptions from council tax for care leavers as a way of providing financial support and assisting them with establishing stability in their home lives.

1.3 Cared for children and care leavers are amongst the most vulnerable groups in society. The majority of these young people have suffered abuse or neglect. Research continually tells us 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. Whilst the Council has good arrangements to support these young people, they tend to leave home at a younger age and have more abrupt transitions to adulthood than their peers. Unlike their peers who normally remain in the family home, care leavers will often be living independently at age 18.

2.4 The recommendation to give 100% discount to care leavers from Council Tax has been proposed by the Council's Corporate Champion, The Corporate Parenting Board supports the proposal, and recognises Care Leavers as a particularly vulnerable group.

Cabinet is therefore asked to agree to creating a new class of beneficiaries of council tax discount, as is permitted to do under section 13A(1)(c) of the Local Government Finance Act 1992, (where the Council has the power to reduce liability for council tax in relation to individual cases or class(es) of cases that it may determine).

2.5 This will reduce the council tax bill for Harrow Council care leavers (paying council tax in Harrow) to nil, for a period of six months, after any other national reliefs and council tax support reliefs have been applied, subject to the former child being the sole responsible person for council tax, having a council tax liability of Band B or below and being aged 18-21 years at the date of application. This discount will be referred to as the "Care Leavers Discount Scheme" (CLDS).

2.6 Implementing the policy will support the work required by OFSTED in respect of Care Leavers and directly contributes to improve services and ensure that all Care Leavers are aware of their entitlements, receive the support they require and achieve positive outcomes.

2.7 The proposal to grant care leavers a 100% discount for up to six months from council tax, is aligned to the Council's policy of financial support to our care leavers and is part of an overall package of support offered to prepare our care leavers for independence and support them in the successful transition to adulthood. The focus of the financial policy for care leavers is to reward and encourage our young people to engage in employment and training, which this proposal further promotes.

2.8 Whilst the 100% discount from council tax would provide valuable support to a small group of care leavers, it does not represent a significant financial commitment for the Council and the costs are further set out in the Financial Implications section of this report.

Conclusion / Recommendation

2.9 In considering this proposal along with the overall package of financial support proposed, 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.

It is therefore recommended that Cabinet approve a six month 100% discount from Council Tax for Harrow Council's care leavers, where the former child becomes the sole liable person of a property in Harrow and where the Council Tax band on which the discount is sought equals Council Tax Band A or B only.

Other Options Considered

2.10 A percentage discount of less than 100% from the payment of Council Tax, or for different periods, (for example 3 months or 12 months rather than the 6 months proposed), was also considered. However a longer period was rejected because of the much higher potential costs to the scheme and a shorter period was perceived to have limited impact.

Applying the discount on higher banded properties too was considered but rejected on the basis that allocated accommodation to care leavers will be mostly studio or 1 bedroom flats which all come within bands A or B.

Legal Implications

2.11 There are a number of pieces of legislation and statutory guidance that set out the role of the local authority in respect of cared for children and care leavers. This includes duties under the Children Act 1989 and Children Act 2004. As stated above there are proposed new statutory corporate parenting principles in the Children and Social Work Act 2017.

2.12 Under Section 13A(1)(C) of the Local Government Finance Act 1992 the Council has the power to reduce (or further reduce) liability for council tax for a chargeable dwelling for a specified period of time in any case as the local authority for the area in which the dwelling is situated thinks fit. Subsection (6) confirms that such reduction includes the power to reduce the liability to nil. Subsection (7) confirms that the power may be exercised in relation to a particular case or by determining a class of cases.

Financial Implications

2.13 The number of Care Leavers who are currently Council Tax Payers and therefore eligible for the discount is 80. Each of these existing care leavers will receive a discount upon implementation of this proposal. Therefore the initial cost in the first year of this scheme is estimated to be £35,000. If 100% discount is applied for the maximum 6 month period.

In subsequent years the scheme will only apply to care leavers who are newly eligible to pay council tax. There are currently 25 children looked after who will turn 18 years old and become care leavers in 2018-19. Not all of these will be eligible to pay council tax and therefore a prudent annual estimated cost is £10,000 per annum.

Carers discounts are administered under section 13A(1)(c), which means they are discretionary local reliefs which must be paid fully by the local authority. As such a transfer will be made from the general fund to the collection fund at the end of each financial year to reflect the loss in Council Tax due to the actual awards made in relation to the discount. This will ensure preceptors are not any worse off because of the Council's decision to operate a discretionary local policy.

The cost will be funded from existing budgets within the Corporate Parenting service in Children's Services and may be partially mitigated by a reduction in emergency payments to care leavers.

- 2.14 In considering this proposal along with the overall package of financial support to care leavers, it is expected that we will see a decrease in emergency payments made for crisis situations, as well as further reducing the dependency on services that are used by some of our young people.

Equalities implications / Public Sector Equality Duty

- 2.15 The Policy will benefit all those Care Leavers living in the Harrow area irrespective of their gender or all other categories. It is acknowledged that those Care Leavers who choose to live outside of Harrow would not be able to take advantage of the discount unless the borough where they move to has in place a similar policy and it applies to out of borough care leavers.

The discount to all Harrow Council Care Leavers in respect of council tax would be part of the Care Leaver Offer and would also be included in the information regarding eligibility and planning for the future. It would therefore be the decision of the young person if they wished to live elsewhere that they removed themselves from being eligible for this arrangement. If a care leaver chooses or was advised to live outside the Borough, the Council still has duties towards this individual, which could include financial support to assist with living costs.

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.

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 their peers

Our local data analysis highlights how young people from Black and Minority ethnic backgrounds are overrepresented in the Care leavers

population as are young people from financially disadvantaged backgrounds. By definition this proposal is directed to persons aged 18-21 years of age

In accordance with our equality duty, this proposal will therefore result in a positive impact on certain ethnic groups who are disproportionately represented in the care leaver community and persons aged 18-21 years. The proposal also advances equality of opportunity between these protected groups and the wider community, with the overall aim of removing financial barriers, resulting in increased opportunities for employment, education and/or training opportunities.

Corporate Priorities

2.16 The Care Leavers Discount Support Scheme reflects the aims of our corporate priorities thus ensuring we concentrate on supporting those who are financially vulnerable.

Section 3 - Statutory Officer Clearance

Name: Jo Frost	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 29/11/2017		
Name: Sarah Wilson	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 24/11/ 2017		

Ward Councillors notified:	NO
EqIA carried out:	No
EqIA cleared by:	N/A

Section 4 - Contact Details and Background Papers

Contact:

Fern Silverio (Head of Service – Collections & Housing Benefits),
Tel: 020-8736-6818 / email: fern.silverio@harrow.gov.uk

Background Papers:

None.

Call-In Waived by the Chairman of Overview and Scrutiny Committee	NOT APPLICABLE <i>[Call-in applies]</i>
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Policy for determining applications for council tax reduction under Section 13A(1)(c) of the Local Government Finance Act 1992 in respect of Care Leavers in Harrow

1. Introduction

- 1.1. Harrow Council (“the Council”) agrees that young people transitioning out of care can often face a myriad of challenges. They are often for the first time having to manage money which can prove extremely difficult without the assistance of family. The Council is committed to keeping care leavers safe, ensuring their experiences moving into independent living are positive, and improving their life chances. There is clear evidence that care leavers are at considerable risk of falling into debt, including council tax debt.
- 1.2. The Council has a statutory role as a corporate parent and will where possible seek the same outcomes for care leavers that any parent would want for their own children. Given the Council’s commitment to the welfare of care leavers, the Council has decided to offer council tax support to care leavers in the borough. The scheme will reduce council tax liability for care leavers residing in Harrow to nil for a maximum period of 6 months, subject to meeting the criteria set out below.
- 1.3. Under Section 13A(1)(c) of the Local Government Finance Act 1992, the Council has the power to reduce liability for council tax in relation to individual cases or class(es) of cases that it may determine. Section 13A(1)(c), (6) and (7) of the Act provides that:
 - (1) The amount of council tax which a person is liable to pay in respect of any chargeable dwelling and any day (as determined in accordance with sections 10 to 13)
 - (c) in any case, may be reduced to such extent (or, if the amount has been reduced under paragraph (a) or (b), such further extent) as the billing authority for the area in which the dwelling is situated thinks fit.
 - (6) The power under subsection (1)(c) includes power to reduce an amount to nil.
 - (7) The power under subsection (1)(c) may be exercised in relation to particular cases or by determining a class of case in which liability is to be reduced to an extent provided by the determination.

- 1.4. The Council has a Council Tax Support Scheme (CTS) that allows the Council to offer up to 70% relief to prescribed individuals. The Care Leavers Discount scheme is in addition to the council tax reduction scheme and specifically targets assistance to care leavers who qualify as former children in the borough.
- 1.5. In order to provide further support for care leavers the Council has created a new class of beneficiaries of council tax discount as it is permitted to do under section 13A(1)(c) of the Local Government Finance Act 1992. The Council has agreed to reduce the council tax bill for care leavers to nil, after any other national reliefs and council tax support reliefs have been applied, subject to them meeting the criteria. This relief will be referred to as the "Care Leavers Discount Scheme" (CLDS).

2. **Application Process**

- 2.1. Award of relief under the CLDS can be granted:
 - a. through the identification and nomination of a care leaver by the Council's Children's Social Services Team to the Council's council tax service/Revenues Team or upon direct approach by the care leaver; and.
 - b. Following completion of the appropriate application form, either by Social Services on behalf of the Claimant or by the Claimant themselves..

3. **Eligibility Criteria**

- 3.1. For the purposes of this policy, a **care leaver** is **defined** as a former relevant child under the Children Act 1989. This policy applies to Harrow Council care leavers only.
- 3.2. The following will be assessed prior to the award of discount under the CLDS:
 - a. Has the care leaver applied for or qualified for any national reliefs, exemptions or discounts (e.g. single person's discount)? National reliefs must be applied prior to award of care leavers relief.
 - b. Has the care leaver applied for or qualify for relief under the Council Tax Support Scheme (CTS)? CTS reliefs must be applied prior to award of care leavers relief.
- 3.3. A care leaver must be aged 18-21 years old to qualify for relief under the care leavers discount scheme.
- 3.4. Confirmation that a claimant is a Harrow Council Care Leaver must be received from Harrow Council's Children's Social Services team.

- 3.5. Care leavers discount on council tax liability can be awarded for maximum of six months. The period can span two financial years or be in relation to different properties so long as the qualifying property is the claimants main and only residence. If a care leaver has already benefitted from a six month discount in a previous year, he or she is not eligible for a further award. Any award given to an individual case will end after 6 months or on the day before their 22nd birthday, whichever date comes first.
- 3.6. An award can be given for a period of less than 6 months, in which case, the care leaver will be eligible for a further discount in a subsequent year or for a different property for the remainder of the 6 month period, subject to other criteria applying.
- 3.7. The property must be banded as a council tax band A or B. An award can be given for two or more properties if they are occupied at separate periods.
- 3.8. The scheme comes into effect from 1st April 2018 and will continue until it is varied or terminated.

4. Review of Decision / Backdating

- 4.1. Under the Local Government Finance Act 1992, there is no right of appeal against the Council's use of discretionary powers. However, the Council will accept a resident's written request for a further review of its decision if it is supported by further information or evidence and is made within one calendar month of the decision. A review will be conducted by a more senior officer than the original decision maker.
- 4.2. Specifically regarding retrospective applications, the Council will accept applications back dated to the beginning of the financial year, or to the date the care leaver became responsible for council tax so long as the date is not more than 12 months from the date of the application.