



**Cabinet**

**15 May 2018**

**Care Leavers' Council Tax Reduction Scheme**

**5**

## **Report of the Executive Manager – Finance and Corporate Services**

### **Cabinet Portfolio Holder for Finance Councillor G Moore**

#### **1. Summary**

- 1.1. This report sets out the proposals to introduce a discretionary Care Leavers' Council Tax Reduction Scheme to supplement the Council's existing Council Tax Reduction scheme.
- 1.2. The Children and Social Work Act 2017 establishes a set of principles aimed at bringing the focus back to the looked after child and confirms the "corporate parent" statutory function of the Council. Whilst this Act is not yet fully in force, the intended requirement is clear; local authorities will have a duty to offer the proposed support to this recognised vulnerable group of people. The Council can use existing powers to offer the proposed discretionary relief.
- 1.3. Nottinghamshire County Council has indicated that there are approximately 33 care leavers currently living within the Borough, and whilst difficult to determine at this stage, it is highly likely that the majority of care leavers will either be receiving council tax relief under the Council's existing scheme or through the Council's housing benefit scheme, if the care leaver resides within housing in multiple occupation.
- 1.4. The Care Leavers' Council Tax reduction scheme proposes to provide a reduction, up to 100%, where a care leaver has a liability for council tax within the Borough. The amount of reduction awarded will be the relevant amount (after all other discounts, reductions and exemptions) required to reduce the care leaver's council tax liability amount to zero. Where the reduction is awarded, it will remain in place until the care leaver reaches the age of 21 years (the care leaver's 21st birthday) or ceases to be liable for the council tax.

## **2. Recommendation**

It is RECOMMENDED that Cabinet:

- a) approve the Council's guidance set out in Appendix 1 for determining an application for a reduction in council tax for persons leaving care and living in the Borough effective from the 1 April 2018; and
- b) delegates to the Executive Manager – Finance and Corporate 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 Rushcliffe in accordance with the guidance at Appendix 1.

## **3. Reasons for Recommendation**

- 3.1. The Council has a corporate parenting responsibility and it is considered that this reduction in council tax contributes to the fulfilment of this role.

## **4. Supporting Information**

- 4.1 The Children's Society report "A local offer for care leavers" (November 2017) reports that care leavers are a particularly vulnerable group and can find the transition to independent living challenging and often experience financial hardship as a result of council tax liability which can lead to arrears and loss of tenancy.
- 4.2 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. These principles have subsequently been incorporated within the Children and Social Work Act 2017, and although the majority of the provisions (requirements for local authorities) within the Act are yet to be in force, the Government and Children's Society are encouraging local authorities to offer the proposed support.
- 4.3 The Council has the discretion to reduce council tax for individuals and prescribed groups in accordance with Section 13A(1)(c) of the Local Government Finance Act 1992.
- 4.4 For the purposes of this report a care leaver is defined as a person who is currently resident in the Borough with a council tax liability and 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.

4.5 The following table shows the number of defined care leavers for each local authority as at the 5 February 2018.

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

4.6 The Council currently operates a council tax reduction scheme (CTRS) which grants a reduction to council tax payers based on an assessment of their means to pay. It is estimated that a significant proportion of care leavers, indicated above, will fall within the scope of the CTRS and will already be receiving a reduction in their council tax. However, there is no specific policy for care leavers' and the approval of the proposed scheme would act as a top up for any care leavers' who currently do not receive CTRS at 100%.

4.7 The policy will apply to Rushcliffe care leavers' only, however care leavers from other local authorities, now living in Rushcliffe can apply for relief under the Council's current CTRS, as well as seeking support, including financial assistance, from the local authority that formerly looked after them.

4.8 This discretionary relief will not be means tested and will be granted to anyone meeting the eligibility criteria as set out in Appendix 1, the guidance for how the discretion should be exercised. In summary:

- Where the reduction is awarded, it will remain in place until the care leaver reaches the age of 21 years (the care leaver's 21st birthday) or ceases to be liable for the council tax, whichever date occurs first. In these circumstances, the bill will be apportioned.
- Where a care leaver has a liability for council tax, the reduction in that liability will be up to 100%. The amount of reduction awarded will be the relevant amount (after all other discounts, reductions and exemptions) required to reduce the care leaver's council tax liability amount to zero.

## 5. Other Options Considered

5.1. An alternative would be not to offer a council tax reduction to care leavers, but this is not in accordance with best practice and potentially means the council is falling short of its corporate parenting requirements.

## 6. Risk and Uncertainties

6.1. There is a risk, if not approved, of the Council not meeting its corporate parenting responsibilities as set out in Children and Social Work Act 2017.

## **7. Implications**

### **7.1. Finance**

Carer leavers' discounts are administered under Section 13A(1)(c) of the Local Government Finance Act 1992, which means they are discretionary local reliefs and must be paid fully by the local authority. An adjustment will be made between the General Fund to the Collection Fund at the end of each financial year to ensure that the cost position is neutral for the Borough Council's preceptors.

As indicated by Nottinghamshire County Council, there were 33 care leavers in Rushcliffe as at 5 February 2018. The Borough Council does not yet have a full understanding of this demographic, but it is probable that the majority of care leavers will fall within the scope of the existing CTRS or receive support through the Council's housing benefit scheme, if resident within housing in multiple occupation (where the council tax charge is passed on through their rent as the owners are liable). If the proposed scheme is approved it is envisaged that an arrangement will be put in place with Nottinghamshire County Council and the individuals to allow information to be shared to enable the Care Leavers' discretionary relief to be awarded.

As an illustration of the worst case scenario a decrease in the collected council tax could be in the order of £40k per annum (assuming Band A). This is based on 33 care leavers in 2018/19 living independently for a full year in a Band A property. However, as previously stated, it is extremely unlikely that the cost will be this high and it is anticipated that the actual costs will be much lower and will be able to be contained within existing budgets.

The Borough Council's software for council tax does have the facility to administer the proposed reduction at no additional cost.

### **7.2. Legal**

Where it considers appropriate, a local authority in England must publish information about services for care leavers offered by others which the local authority has power to offer as a result of its functions under the Children Act 1989. Information required to be published by a local authority under this section is to be known as its "local offer for care leavers."

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.

### **7.3 Other Implications**

None.

## 8. Corporate Priorities

- 8.1 The relief schemes will contribute to Council's corporate priority of maintaining and enhancing our residents' quality of life.

<b>For more information contact:</b>	Nigel Carter Service Manager – Finance and Commercial 0115 914 8430 ncarter@rushcliffe.gov.uk
<b>Background papers Available for Inspection:</b>	Department for Education, Keep on Caring – July 2016  The Children's Society – A local offer for Care Leavers – November 2017  Children and Social Work Act 2017
<b>List of appendices (if any):</b>	<b>Appendix 1</b> – Care Leavers' Council Tax Reduction Scheme