



Derby City Council

COUNCIL CABINET 14 February 2018

Report of the Lead Member for Children and
Young People and Safeguarding

ITEM 10

Council Tax Exemption for Care Leavers

SUMMARY

- 1.1 The Council have statutory duties for care leavers under the Children Act 1989, the Leaving Care Act 2000 and the **Care Leavers (England) Regulations 2010** until the age of 21 years (25 years where they are in higher education) to ensure that care leavers are provided with comprehensive personal support so that they achieve their potential as they make their transition to adulthood. The Children and Social Work Act 2017, to be implemented in April 2018, raises the statutory age to 25 years for continued support by the Council for all care leavers to be defined in a Local Offer.
- 1.2 Derby City Council has a high performing Leaving Care Service which was acknowledged through Ofsted's Single Improvement Framework inspection in 2017 and rated this service as good. Within existing statutory responsibilities, the pledge to Care Leavers and as a good corporate parent, Care Leavers are supported into accommodation, employment and training and provided with a wide range of support.
- 1.3 However, a number of Care Leavers reaching 18 years are exposed to significant financial obligations that when reliant on benefits or in receipt of a low income, can cause levels of stress and hardship that impact and affect their transition from care and long term outcomes.
- 1.4 Care Leavers who enter apprenticeship or entry level employment do not receive a salary commensurate with the costs of living. This is further affected by the impact engaging in work and apprenticeship training can have on them financially in that they are then exposed to rent and Council Tax payments.

RECOMMENDATION

- 2.1 To agree Council Tax exemption for all Former Relevant Care Leavers up to the age of 25 years as part of the 'local offer' to Care Leavers and pledge as their Corporate Parent.
- 2.2 To agree Relevant Care Leavers who live in the Derby City Council Boundary will be administered as a 100% Council Tax Discount.
- 2.3 To agree Relevant Care Leavers who live outside the Council Boundary their Council Tax will be paid up until the age of 25 upon presentation of a Council Tax Bill.

REASONS FOR RECOMMENDATION

- 3.1 The Children and Social Work Act 2017 will reshape the regulation around the support offer required for Care Leavers from April 2018. Council Tax exemption will enhance existing provision, making the Leaving Care Offer in Derby one of the strongest in the Country and assist in building upon the existing 'good' rating.
- 3.2 To ensure that Care Leavers are provided with the necessary financial support that will facilitate and sustain positive outcomes and the best possible transition into independent adulthood.



SUPPORTING INFORMATION

- 4.1 The issue of Local Authorities charging its own children Council Tax is a national issue and both the Children's Society and the Children's Commissioner are champions of this agenda. Equally there are a number of proactive Local Authorities that have already implemented this initiative so that Care Leavers are not charged Council Tax. The financial implications will vary and be dependent upon the young person's individual situation, where they reside and their employment or income status at a point in time.
- 4.2 National trends suggest that young people in general do not automatically leave home at 18 years and are therefore afforded a level of support both financial and practical from their parents/carers both before they are ready to move on and then after the transition has occurred. For many Care Leavers however the transition to independence is difficult and in most cases is based purely upon chronological age rather than actual preparedness for independence. Some Care Leavers are able to access Staying Put Provisions, or some may return to family and friends, however a large number go on to exit care and live independently. These Care Leavers are quickly exposed to some of the more challenging aspects of life that the Council as corporate parent have protected them from and they have to adapt to being an independent adult extremely quickly.
- 4.3 This proposal will have a viable impact on Care Leavers who are in apprenticeships and employment and will serve to promote an ethos of not being financially disadvantaged but being enabled to sustain their chosen pathway with a reduced risk of experiencing future poverty. In addition it would remove a significant barrier for young people to engage in the world of work without being unfairly financially disadvantaged for doing so.
- 4.4 Former Relevant Care Leavers would include young people residing outside of the Derby City Local Authority area. The numbers entitled to this support is below five, and require payment to the responsible Council area where the young person resides. This will prevent other Local Authorities from taking legal action against young people for whom Derby City Council has been the Corporate Parent.
- 4.5 This proposal would be a significant stride forward for Derby City Council in exercising their Corporate Parenting responsibilities towards providing Care Leavers greater opportunity and protection against the risk of poverty and unemployment.

OTHER OPTIONS CONSIDERED

- 5.1 A smaller contribution to Council Tax. This would be difficult to manage and not considered to be viable.
- 5.2 No change to current arrangements. This could potentially impact on our ability to retain the Ofsted Rating of 'Good'

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Kaye Howells Alison Parkin Suanne Lim, Service Director, Children's Integrated Services Chief Officer Group, Andrew Kaiser, Head of Specialist Services
For more information contact: Background papers: List of appendices:	Gareth Dakin, Deputy Head of Service Children in Care 01332 640302 gareth.dakin@derby.gov.uk None Appendix 1 – Implications Appendix 2 - Wolf at the Door Appendix 3 - Children's Society Letter Appendix 4 – Letter from the Children's Commissioner Appendix 5 – DCC Care Leavers Offer

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IMPLICATIONS

Financial and Value for Money

- 1.1 At present there are 167 Care Leavers open to the Leaving Care Service. Of these 130 are Former Relevant Care Leavers aged 18 to 21. Of the 130 Care Leavers, 28 Care Leavers live independently and are exposed to Council Tax Payments.

Care Leavers in the following categories do not pay Council Tax:

- Live with Parents/Relatives/Friends
- Supported lodgings/shared accommodation
- With their former foster carers
- Care Leavers in education do not pay Council Tax

Of the 28 Care Leavers living independently:

- 4 of the 28 are in full time education therefore at present are exempted from Council Tax.
- 7 of the 28 living independently are NEET and on full benefits and therefore only pay approximately £10 per week Council Tax as they are subject to a reduction of 70%.
- 17 of the 28 are in apprenticeships or are in employment and pay significant contribution to their Council Tax.

The proposal would immediately impact upon 24 Care Leavers (19% of total).

- 1.2 Calculations based on Band C Council Tax (£10999.82) for the current eligible 24 Care Leavers would currently cost £26395.68 per annum.
- 1.3 The projected annual financial investment required for those aged 18 to 25 years is circa £7,700 per Care Leaver per life-cycle following implementation of the Children and Social Work Act 2017. The forecast financial investment for those eligible for exemption will be an estimated £65,000 per annum.

Legal

- 2.1 Care Leavers are primarily considered under the Children Act 1989, the Leaving Care Act 2000 and the Children and Social Work Act 2017.
- 2.2 Council Tax exemption would be applied under s13A of the Local Government Act 1992 to specifically exempt 'Former Relevant' Care Leavers from Council Tax. A 'Former Relevant' Care Leaver as defined in the Children (Leaving Care) Act 2000. Though this reduction can be made, any S13a reduction 'should like other discounts, be applied before Council Tax benefit is taken into account' therefore the existing Council Tax reduction of 70% applied to persons in receipt of benefits would not apply and the full cost of the 100% exemption would fall to Derby City Council.

Personnel

- 3.1 None in relation to this report

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- 4.1 None in relation to this report

Equalities Impact

- 5.1 The proposal seeks to address any disadvantage experienced by Care Leavers in apprenticeships or low income employment.

Health and Safety

- 6.1 None in relation to this report

Environmental Sustainability

- 7.1 None in relation to this report

Property and Asset Management

- 8.1 None in relation to this report

Risk Management and Safeguarding

- 9.1 The proposal seeks to reduce the risk of future poverty and deprivation. Increased financial resilience will increase personal resilience and reduce demand for future services.

Corporate objectives and priorities for change

- 10.1 Protecting vulnerable children and young people
Enabling individuals and communities
Promoting health and well-being