

NORTH NORTHAMPTONSHIRE SHADOW AUTHORITY

SHADOW EXECUTIVE COMMITTEE MEETING

THURSDAY 25 MARCH 2021

Report Title	Council Tax Discount for Care Leavers Policy
Report Author	Lucy Hogston, Interim Head of Customer & Community Services, East Northamptonshire Council lhogston@east-northamptonshire.gov.uk

List of Appendices

Appendix A – Proposed Council Tax Discount for Care Leavers Policy

1. Purpose of Report

- 1.1. The purpose of this report is to present a proposed Council Tax Discount for Care Leavers Policy.

2. Executive Summary

- 2.1 This report proposes a policy for a Council Tax Discount Scheme for Care Leavers in North Northamptonshire. The scheme is proposed to establish care leavers as a class for the purpose of Section 13A(1)(c) of The Local Government Finance Act 1992 and reduce their liability for council tax payments to nil between the ages of 18-21 years. From age 21 further arrangements on a case by case basis up to the age of 25 years are proposed within the policy.

3. Recommendations

- 3.1 It is recommended that the Shadow Executive Committee:
- a) Approves the creation of a Council Tax Discount for Care Leavers Policy utilising its discretion under Section 13A(1)(c) of The Local Government Finance Act 1992; to enable the provision of a discount of up to 100% of the Council Tax that is due, to care leavers who live in North Northamptonshire aged 18 years up to their 25th birthday as detailed in Appendix A.

(Reason for Recommendation – to support the Council's Local Offer for Care Leavers)

4. Background

- 4.1 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.
- 4.2 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. Whilst the Council has positive 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 many of their peers who normally remain in the family home, care leavers will often be living independently at age 18. As corporate parents, 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.
- 4.3 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 life experiences are often characterised by trauma and limited support networks are more likely to find it even more difficult than their counterparts.
- 4.4 The Government's '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.
- 4.5 A 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 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 council tax discount. 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.

5. Proposed Council Tax Discount for Care Leavers Policy

- 5.1 North Northamptonshire Council (NNC) understands that the transition out of care for young people can be very challenging. Without the support of a family and the need to manage their own finances, care leavers may be more susceptible to financial difficulties.

- 5.2 NNC is keen to offer support to those young people who may be liable for Council Tax by giving additional financial support on top of the other discounts that may be available such as single person discount and Local Council Tax Support.
- 5.3 The proposed policy outlining this support can be found at Appendix A, in summary;
- A discount of up to 100% of Council Tax liability will be awarded to Care Leavers aged 18 until their 21st birthday, this will be an automatic award and will not require a means test.
 - A discount of up to 100% of Council Tax liability will be considered for Care Leavers aged 21 until their 25th birthday, these will be looked at on a case by case basis and will include a means test.

The rationale behind the two-stage approach is to prevent a 'cliff edge' at the age of 25; whilst recognising the importance of supporting Care Leavers, building self-reliance and not a dependency on financial support is also of utmost importance.

6. Implications (including financial implications)

6.1 Resources and Financial

Current Position and Financial Implications of providing a discount

- 6.1.1 A recent snapshot of information provided by the Children's Trust shows that North Northamptonshire Council is responsible for 161 care leavers aged between 18 and 25 years; of these 47 are liable for Council Tax and of these 26 are already in receipt of Local Council Tax Support.
- 6.1.2 The estimated cost to NNC for this scheme is around £25k for the year 2021-22. This is based on current data and makes some assumptions around costs moving forward. The estimated cost is a general fund cost to be met by NNC and there is no impact on the tax base. The preceptors are not obliged to contribute to the costs of the discount, but we can request a contribution from Police and Crime Commissioner (PCC) (14.4% split) £3.6K. The PCC has already indicated that a contribution of up to £10k would be supported. Therefore after the PCC contribution the scheme would cost NNC around **£21.4k**.
- 6.1.3 The scheme will be administered by the Revenues and Benefits Team and applications would be supported by officers from the Children's Trust.

6.2 Legal

6.2.1 Legislation in respect of looked after children and care leavers

There are a number of pieces of legislation and statutory guidance that set out the role of the local authority in respect of looked after children and care leavers.

There are statutory obligations and guidance for the role of the Local Authority as the Corporate Parent in the Children's Act 1989 and 2004, the Children and Young People Act 2008 and the Children and Social Work Act 2017.

There are also specific duties:

- The Care Planning, Placement and Case Review (England) Regulations 2010 (the 2010 Regulations)
- The Care Leavers (England) Regulations 2010 (the Care Leavers Regulations)

6.2.2 Council Tax Legislation

The Local Government Finance Act 1992 gives the Council the power to reduce liability for council tax in relation to particular cases or by determining a class of cases where national discounts and exemptions cannot be applied. Section 13A(1)(c) states *'Where a person is liable to pay Council Tax in respect of any chargeable dwelling and any day, the billing authority for the area in which the dwelling is situated may reduce the amount which he is liable to pay as respects the dwelling and the day to such extent as it thinks fit.'*

6.3 Risk

6.3.1 There are no significant risks arising from the proposed recommendations in this report.

6.4 Consideration by Overview and Scrutiny

6.4.1 This report has not been considered by Overview and Scrutiny Committee.

6.5 Environmental Impact

6.5.1 There are no environmental impacts arising from this report.

6.6 Community Impact

6.6.1 The proposed policy seeks to support the Council's Local Offer for Care Leavers.

6.7 Equalities

6.7.1 The proposed policy is not detrimental to any groups with protected characteristics.

7 Background Papers

- 7.1 The Wolf at the door. How Council Tax collection is harming children. The Children's Society, March 2015
https://www.childrensociety.org.uk/sites/default/files/wolf-at-the-door_council-taxdebt-collection-is-harming-children_PCR027a_WolfAtTheDoor_Web.pdf

Department for Education, Keep on Caring, July 2016
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/535899/Care-Leaver-Strategy.pdf

Applying corporate parenting Responsibilities to care leavers, Statutory guidance for local authorities: February 2018, DCLG
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/683698/Applying_corporate_parenting_principles_to_look_edafter_children_and_care_leavers.pdf