

CABINET	AGENDA ITEM No. 7
19 November 2018	PUBLIC REPORT

Report of:	Lou Williams; Service Director Children & Safeguarding	
Cabinet Member(s) responsible:	Cllr Sam Smith - Cabinet Member for Children's Service	
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COUNCIL TAX EXEMPTION FOR CARE LEAVERS

R E C O M M E N D A T I O N S	
FROM: Corporate Director: People and Communities	Deadline date:
<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> Notes the content of the report; Agrees that in the absence of any national scheme, it is not appropriate for the Council to exempt care leavers from Council Tax; Supports the Director of Children's Services in writing to Central Government to suggest the implementation of a national scheme that provides some exemption from Council Tax to all vulnerable young people and adults up to the age of 25 living away from home; Supports the Director of Children's Services in writing to colleague Directors and seek support in lobbying for a national scheme. 	

1. ORIGIN OF REPORT

- 1.1 This report is submitted to Cabinet at the request of the Cabinet Member for Children's Services.

2. PURPOSE AND REASON FOR REPORT

- 2.1 This report provides Cabinet with information to enable Members to consider whether adopting a scheme whereby care leavers who are the responsibility of Peterborough City Council are exempted from paying Council Tax would be an effective way of ensuring the Council is providing the best form of support to care leavers while making best use of available resources.
- 2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.1, 'To take collective responsibility for the delivery of all strategic Executive functions with the Council's Major Policy and Budget Framework and lead the Council's overall improvement programmes to deliver excellent services'.

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	N/A
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4. BACKGROUND AND KEY ISSUES

- 4.1. Councils have been requested to consider whether care leavers for whom they hold responsibility should be exempted from paying Council Tax via a number of routes.
- 4.2. In August 2016, for example, the Communities and Local Government Select Committee recommended that care leavers be made exempt from council tax to '*at least the age of 21*'.
- 4.3. A number of charitable organisations have also lobbied Councils, asking that consideration be given to exempting care leavers from Council Tax.
- 4.4. Accordingly, the Cabinet Member for Children's Services requested that a report be presented to Cabinet that summarised the benefits and any disadvantages of taking such a proposal forward, enabling Cabinet to make an informed decision on the issue.
- 4.5. The lack of any nationally coordinated approach to provision of Council Tax relief for care leavers has resulted in some variation of approaches being adopted by those councils who are seeking to provide such relief. The majority of those authorities that have set up or are considering adopting some form of Council Tax relief to care leavers to date have been unitary authorities. A number of these have only considered young people living in their area who they also previously looked after. Unitary authorities are, of course, both responsible for care leavers and for collecting Council Tax.
- 4.6. Approaches that provide relief to specific groups of care leavers immediately leads to a risk of challenge from other care leavers who could argue that they are being discriminated against. A council that only applied an exemption to care leavers living in their area could, for example, be liable to challenge by other care leavers who happen to be living outside the Council area, often as a result of decisions not made by them but as the consequence of decisions about where they were placed while they were in care.
- 4.7. This risk could be avoided in respect of care leavers for which Peterborough has responsibility but who are living elsewhere by coming to an arrangement with the relevant local authorities or with the individual care leaver. This might include reimbursing either the authorities concerned for exempting Peterborough care leavers from their Council Tax liabilities, or by reimbursing individual young people for the cost of their Council Tax.
- 4.8. Were Peterborough City Council to solely grant an exemption to care leavers living in the City who were previously in care to Peterborough, there would be risk of challenge by care leavers placed by other local authorities in the City. They may successfully be able to argue that they should also be eligible for similar relief as to that provided to other care leavers living in the same City.
- 4.9. Peterborough has considerable numbers of young people placed here who are in care to other authorities, and it is likely that a significant proportion will remain in the City after they reach the age of 18. This means that while we do not have accurate figures, it is likely that there are a considerable number of care leavers who were previously looked after by other local authorities living in Peterborough.
- 4.10. Even if it were possible to develop a scheme that was practical to operate and addressed the above challenges, there are a number of other considerations that are relevant in deciding whether, all things considered, providing support to care leavers in this way is a sensible approach.
- 4.11. All local authorities have a number of statutory duties to provide support to care leavers. These have recently been extended further by the Children and Social Work Act, 2017. This legislation increased the age up to which care leavers are eligible to receive support from 21 to 25 years of age.
- 4.12. While seeking a fair and workable way of exempting care leavers from paying Council Tax may seem superficially attractive, the reality is that paying bills is part of taking responsibility for oneself as an adult. Providing this relief for a period risks making the actual transition into

having to eventually pay Council Tax a more difficult one as the young person concerned will have become used to managing on a budget that does not include having to meet this obligation.

- 4.13. Further, as noted above, care leavers are rightly entitled to a broad range of support, including support with budgeting and the provision of financial support where a young person is in clear financial difficulty. The Council fully accepts our responsibilities to support care leavers in all areas of their lives as they make the transition from young adulthood into independence.
- 4.14. This availability of support is in contrast to the position of other vulnerable young people who do not have the benefit of statutory support as care leavers but who may frequently be struggling with the pressures of learning to live independently while dealing with often fractured relationships with family. Indeed it is likely that the population of young people struggling to live independently following difficult family backgrounds but who were not previously in care will include some of the very most vulnerable. It is therefore arguable that providing support to all young people living independently through measures such as Council Tax relief is an approach that would have far greater impact than one that only provides exemption solely to care leavers.
- 4.15. The final question is whether adopting an approach whereby care leavers receive exemption from Council Tax represents the best use of scarce resources. Based on the current profile of young people aged 18-20, the full year cost of providing Council Tax relief to care leavers aged under 21 is likely to be in the region of £50,000 per annum, based on the assumption that similar numbers remain in full time education as now [and so are exempted from having to pay Council Tax] and on the cost of a Band A property in Peterborough. This amount includes a notional sum of £9,000 per annum in additional administrative costs.
- 4.16. As noted above, recent legislation has extended the upper age limit of eligibility to support for care leavers to 25 years. There is a risk that this may open authorities to challenge that any Council Tax eligibility scheme should be in place for all care leavers aged up to 25. It is harder to estimate the costs of exempting care leavers of Council Tax up to this age but they are likely to be in the region of between £200,000 and £250,000 per annum. Costs would increase not only because of the higher number of eligible care leavers, but because a smaller proportion are likely to be in full time education and so exempt from Council Tax as age increases.
- 4.17. These are the estimated costs were the Council able to restrict any scheme that provides Council Tax relief solely to young adults who were formerly in the care of Peterborough. Costs would be much higher and much less predictable in the event that any care leaver placed by another authority was able to successfully argue that they should receive the same benefits by judicially reviewing any scheme of a similar nature operating anywhere in the country.
- 4.18. It is worth noting here that the Council has already identified significant additional resources to meet the added responsibilities of providing support to care leavers aged 21-25, as required by the Children and Social Work Act, 2017. In developing this legislation, central Government indicated that additional resources would be provided to Councils to support their new responsibilities in this area. The actual allocation of funding to Peterborough was only around 10% of the actual cost of providing this additional support.
- 4.19. Given the challenging financial position, any additional funding would need to be identified from elsewhere. In this context, especially given the practical considerations and the need to support young people to develop independence including in the area of being responsible for paying bills, it is unlikely that providing additional funding in this area should reasonably be considered a priority.

5. CONSULTATION

- 5.1 Consultation has taken place with relevant managers and staff.

6. ANTICIPATED OUTCOMES OR IMPACT

6.1 That Cabinet:

- Notes the rationale for the recommendation not to implement any programme of exemption from Council Tax in the absence of any national scheme that would ideally offer support to all vulnerable young people and adults living apart from their families;
- Supports the Director of Children’s Services in promoting the development of such a national scheme that results in an equitable model of support of all care leavers, regardless of where they happen to live, while also providing additional support to other vulnerable young people who do not benefit from the support available to care leavers.

7. REASON FOR THE RECOMMENDATION

7.1 The principal reasons for the recommendations relate to the difficulties associated with implementing any scheme locally while avoiding the risk of challenge from other individuals or groups who could argue that they are being discriminated against.

7.2 There are also other reasons, including that care leavers are already provided with considerable support and given the financial realities facing all local authorities, any additional financial support to this group would need to result from reductions in services elsewhere.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 The alternative option is to implement a scheme that attempts to provide Council Tax exemption for Peterborough care leavers, regardless of where they may be living and that does not expose the Council to the risk of broader challenge. The challenges in achieving this combined with the financial impact are sufficient to rule out this approach.

9. IMPLICATIONS

Financial Implications

9.1 There are no direct financial implications arising from this report, as no change to present Council Tax arrangements is recommended there is no change in the present financial arrangements.

Legal Implications

9.2 There are no direct legal implications arising from this report, as the recommendation is not to change the current support to care leavers as required by the legislation relating to care leavers, which includes the Children Act 1989 and relevant regulations, as well as the Act referred to at para 4.11

Equalities Implications

9.3 There are no equalities implications, either positive or negative.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

10.1 None.

11. APPENDICES

11.1 None.