

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 7
DATE OF MEETING:	14th FEBRUARY 2019	CATEGORY:
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	RECOMMENDED
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (01283 595811) kevin.stackhouse@southderbyshire.gov.uk	DOC: u/ks/council tax and precepts/council tax discounts and premiums/care leavers/council tax discounts care leavers Feb 2019
SUBJECT:	COUNCIL TAX DISCOUNT: CARE LEAVERS	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM 12

1.0 Recommendations

1.1 That consideration be given to making a recommendation to Council for the exercise of a discretion under Section 13A (1) C of the Local Government Act 1992 to exempt by way of a discount Derbyshire County Council Care leavers from Council Tax.

2.0 Purpose of the Report

2.1 To consider an exemption/discount from Council Tax for Derbyshire County Council Care leavers to assist in their transition from care into adult life and mitigate their chances of falling into debt. The original proposal was considered by the Committee on 10 January 2019 [January Report](#).

2.2 A final decision on whether to grant an exemption was deferred pending the approach being taken at other Derbyshire authorities.

3.0 Detail

Introduction

3.1 A report by the Children's Society in 2016 found that when care leavers began to manage their own budgets for the first time they found the process extremely challenging owing to a lack of family support and prior experience of such matters. Further research found that around 57% of leavers had difficulty with money management and in avoiding debt when leaving care.

3.2 The Children and Social Work Act 2017 places corporate parenting responsibilities on district councils for the first time requiring them to have regard to children in care and care leavers when carrying out their functions.

3.3 Derbyshire County Council is already exercising its corporate parenting powers and has requested that district councils in Derbyshire give consideration to an exemption

from Council Tax for Derbyshire care leavers up to the age of 25, to help them move into adulthood without the added pressures of debt.

- 3.4 The County Council is unable to grant such an exemption/discount from Council Tax as this is a discretionary power at the behest of individual Billing Authorities under Section 13A (1)C of the Local Government Finance Act 1992.
- 3.5 A number of Billing Authorities, across the Country have already set up a variety of local discount/exemption schemes. However, except for Derby City Council, no other authority in Derbyshire has implemented a scheme. Similar to South Derbyshire, other district and borough councils in the County have been considering proposals.

Suggested Criteria

- 3.6 Key issues for consideration are around the technicalities of the scheme. In devising a scheme, it is recommended that the following criteria are considered:
- Should a maximum discount award apply after application of all other discounts and relief that may apply?
 - Eligibility. Does this apply solely to the care leaver only? What should the position be if the care leaver is in a shared household or is co-habiting?
 - Should eligibility run from date of occupation to the date of 25th birthday or from April to March following respectively?
 - Should the discount be restricted to the lower Council Tax Bands at say A, B and C, or equivalents?
 - What burden of proof is required? Should the application be supported by 'certificate' from County Council as to care status?
 - Should discounts only be backdated to 1 April of the year in which application is made
 - If a care leaver establishes permanent employment should the discount remain in place? It could possibly increase if Council Tax Support reduced because of earnings? Would this be fair to other groups or individuals?

Proposed Scheme

- 3.7 Based on the above criteria, a recommended scheme was laid out at the January meeting as detailed below:
- i) A care leaver is defined as a young person aged 18 to 25 who was formerly a child in the care of Derbyshire County Council and who then became a 'care leaver' as defined by The Children (Leaving Care) Act 2000 and is liable for Council Tax on a dwelling within the South Derbyshire District Council area. No reduction will be made for care leavers of other authorities living within the area.

- ii) Applications must be made by the Leaving Care Team, or equivalent, for and on behalf of the care leaver previously registered with Derbyshire County Council in the financial year immediately preceding their 18th birthday.
- iii) Applications may be backdated to 1 April in the year of application if the 18th birthday fell in the previous year.
- iv) Council Tax Discount will be awarded on a single property occupied as the sole or main residence in the District Council's area, from the date of the care leavers 18th birthday until the day immediately preceding their 25th birthday, as follows:
 - a. Sole occupation by a care leaver of 100% of residual balance of Council Tax payable after the award of any other discount relief or exemption.
 - b. Where a care leaver is jointly liable a proportionate award will be made according to their individual circumstances, e.g. if there's one other occupier then a 50% discount will apply.
 - c. Where the care leaver is not liable for Council Tax no discount will apply.
- v) Discounts will be subject to annual review of eligibility which will include financial circumstances.
- vi) The Scheme may be varied or terminated on 12 months' notice on a decision by the Council

3.8 In principle, a scheme designed in accordance with the above criteria was welcomed. However, the Committee deferred a decision pending the approach being taken by other Derbyshire authorities.

Latest Position

3.9 In addition to South Derbyshire, out of the other 7 District/Borough Councils in the County, three have approved a scheme and are going through political sign-off, two are yet to make any decision and two have indicated that they may/will not be implementing a scheme at this stage. The three authorities, who are likely to implement a scheme, are adopting slightly different parameters.

3.10 In the meantime, Derbyshire authorities have been approached by Mr Terry Galloway, a former care leaver who, along with the Children's Society, is championing support for care leavers to manage their social and financial transition from care to independent living across the D2N2 region. Their letter and correspondence is attached in **Appendices 1 and 2**.

3.11 A county wide scheme has been created in Nottinghamshire.

The Local Care Offer

3.12 Under the Children and Social Care Act 2017, councils are required to produce what is known as a Local Offer for Care Leavers. This should provide information and support that is available to care leavers. The granting of a Council Tax discount is one facet of the wider support that could be made available.

4.0 Financial Implications

- 4.1 The cost of any discount granted under Section 13A of the Local Government Act 1992 is borne entirely by the Billing Authority, South Derbyshire District Council. It is not allocated to the Collection Fund.
- 4.2 The number of eligible care leavers and their individual circumstances is difficult to estimate and care leavers who become liable for Council Tax, may be subject to other discounts.
- 4.3 Operation of the Scheme has the potential to be cumbersome given the number of variables likely in the circumstances of individual care leavers.
- 4.4 Therefore, if a scheme is adopted it would need to be kept under review with case load and cost being reported to the Committee on a quarterly basis. The Council does have the option of terminating the Scheme by giving 12 months' notice under its discretionary powers.
- 4.5 In the meantime, if a scheme is adopted, it is recommended that a budget of £10,000 is set-aside in the General Fund to meet the cost. Depending on circumstances, this would support up to 10 to 12 cases per year.
- 4.6 Detailed guidelines and processes would be produced following Committee approval. Some minor changes may be necessary to computer system software.

5.0 Corporate Implications

Employment Implications

- 5.1 None

Legal Implications

- 5.2 None

Corporate Plan Implications

- 5.3 Adoption of a local discount scheme for care leavers would meet the key aim of "*Enabling People to Live Independently*" (PE 1)

Risk Implications

- 5.4 None

6.0 Community Impact

Consultation

- 6.1 None required.

Equality and Diversity Impact

- 6.2 The introduction of a local discount scheme may be seen as creating a precedent and generate applications from similar and possibly equally deserving groups.

Social Value Impact

- 6.3 Applying a Council Tax exemption would assist care leavers in their transition from care into adult life and mitigate their chances of falling into debt.

Environmental Sustainability

- 6.4 None

7.0 Background Papers

- 7.1 None