

REPORT TO EXECUTIVE

Date of Meeting: 5 September 2023

REPORT TO COUNCIL

Date of Meeting: 17 October 2023

Report of: Director Finance

Title: Council Tax Exemption for Care Leavers

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 This report seeks members' agreement in principle support for a council tax exemption for care leavers up to age 25, looked after by Devon County Council

2. Recommendations:

2.1 That Executive RECOMMENDS to Council that agreement in principle be given for a council tax exemption for care leavers up to the age of 25 and looked after by Devon County Council, subject to a further report setting out all the implications including the financial impact on Exeter City Council.

3. Reasons for the recommendation:

3.1 Care leavers face the challenge of having to cope with the demands of living on their own at a young age: having to manage finances, maintain a home and manage their lives independently, without the support from families. Whilst not mitigating the impact of all of the disadvantages that care leavers have experienced, a council tax exemption can assist care leavers to overcome them.

3.2 Care leavers are a particularly vulnerable group for Council Tax debt. In Exeter, 64% of care leavers with a council tax liability, are in arrears.

3.3 By providing a discretionary council tax exemption, the Council will be providing financial support to care leavers whilst they develop independent lives and life skills.

3.4 In order to achieve a county wide ambition of a council tax exemption for care leavers aged 18 up to 25.

4. What are the resource implications including non-financial resources

4.1 Section 13A (1) (c) of the Local Government Finance Act 1992 (as amended) gives the Council discretionary powers to reduce the amount of Council Tax payable by an individual.

4.2 The latest information provided by Devon County Council confirms that there are 161 care leavers aged 18 – 24 living in Exeter of which 50 have a council tax liability. Of those 50, 35 are currently getting council tax support (CTS) up to a maximum of 80% of their liability, 12 are not getting any council tax support and 3 already qualify for a council tax exemption so have nothing to pay.

4.3 Calculating annual costs will depend on the policy that is finally agreed, however if discretionary awards were to be made for these 50 liabilities after national discounts such as single person discount, but before awarding any council tax support (CTS), then the cost to the Council would be £59,774 as at 15 August 2023.

4.4 If the discretionary awards were to be made after national discounts and after any entitlement to council tax support had been applied, then the cost to the Council would be £24,836 as at 15 August 2023.

4.5 Making awards under S13A (1) (c) is a general fund expense and so met solely by Exeter City Council however all s151s and their Revenues & Benefits Leads are meeting to discuss and agree how the exemptions will work which will inform the final policy put forward for Members' agreement.

5. Section 151 Officer Comments:

5.1 The success of the scheme relies on the information provided by Devon County Council being timely and accurate. The section 151 Officers from across the County will meet to agree a funding mechanism. If one is not agreed the full cost will fall on the City Council as the Billing Authority and Members will need to identify ways to fund the additional costs.

6. What are the legal aspects?

6.1 The Children and Social Work Act 2017 introduces corporate parenting principles, which comprise of seven principles that local authorities in England must have regard to whenever they exercise a function in relation to looked-after children or care leavers.

6.2 The corporate parenting principles are intended to secure a better approach to fulfilling existing functions in relation to looked after children and care leavers and for the local authority to facilitate as far as possible secure, nurturing, and positive experiences for looked after children and young people and enable positive outcomes for them.

6.3 The corporate parenting principles are:

- To act in the best interests, and promote the physical and mental health and wellbeing, of those children and young people;
- To encourage those children and young people to express their views, wishes and feelings;
- To take into account the views, wishes and feelings of those children and young people;
- To help those children and young people gain access to, and make the best use of, services provided by the local authority and its relevant partners;
- To promote high aspirations, and seek to secure the best outcomes, for those children and young people;

- For those children and young people to be safe, and for stability in their home lives, relationships and education or work; and
- To prepare those children and young people for adulthood and independent living.

6.4 The national statutory guidance on the application of the corporate parenting principles to look after children and care leavers is designed to help local authorities consider the kinds of services that may be offered when having regard to the corporate parenting principles. It states the importance for all who exercise functions in relation to looked-after children and care leavers including those responsible for housing and council tax – to work together to ensure they have a more joined up approach.

6.5 Annexe 3 of that guidance sets out where consideration of corporate parenting principles should normally apply, and it includes functions of local government that are within the direct remit or control of district councils in a two-tier system, collection of council tax being one of those functions:

Table A: functions where consideration of corporate parenting principles should generally apply

	Shire areas			Metropolitan areas	London	
	Unitaries	County councils	District councils	Metropolitan districts	London boroughs	GLA
Education	✓	✓		✓	✓	
Social care	✓	✓		✓	✓	
Housing	✓		✓	✓	✓	
Libraries	✓	✓		✓	✓	
Leisure and recreation	✓		✓	✓	✓	
Local taxation collection	✓		✓	✓	✓	

6.6 The relevant legislation relating to council tax is set out in Section 13A (1) (c) of the Local Government Finance Act 1992, as amended by the Local Government Finance Act 2012, states the following:

(1) The amount of council tax which a person is liable to pay in respect of any chargeable dwelling and any day (as determined in accordance with sections 10 to 13);

(c) in any case, may be reduced to such extent... as the billing authority for the area in which the dwelling is situated thinks fit.

The provisions stated in (c) above, allows the Council to reduce the Council Tax liability for any taxpayer in addition to any application for Council Tax Support (CTS) under the Council's scheme. This is a general power available to the Council.

7. Monitoring Officer's comments:

7.1 The legislative position relating to these issues is set out clearly. The only other matter that requires further investigation by officers, is whether restricting this policy to Devon County Council care leavers could amount to discriminatory practice

8. Report details:

8.1 In England, care leavers are not exempt in legislation from paying council tax.

8.2 In 2019, a Devon-wide process for supporting care leavers was agreed. As districts do not have a mechanism for identifying care leavers, it was agreed that each district council would provide Devon County Council with a nominated person for Children's Services to send details of care leavers to. That nominated contact makes sure the care leaver has applied for and received any entitlement to council tax support, and where there is still a shortfall, that this is cleared using the Exceptional Hardship Fund (EHF), which is an element of our local council tax support scheme, so that the care leaver has nothing to pay. If the care leaver is not entitled to council tax support, then a write-off can be considered by Councils using their discretionary powers under section 13A (1) (c) of the Local Government Finance Act 1992. That write-off consideration is dependent on income level due to the fact that if the care leaver does not qualify for council tax support then they would be considered not to have a low income.

8.3 The cost of Council Tax Support and therefore also the Exceptional Hardship Fund is apportioned between Exeter City Council and the preceptors as per the percentage share of Council Tax, with Devon County Council therefore having the biggest share to meet.

8.4 At the Devon Strategic Corporate Parenting Board, work is underway to look at an enhanced approach to corporate parenting. Recently, the National Adviser for Care Leavers within the Department for Education met with system leaders across Devon County Council and associated partners to discuss a number of areas for immediate attention. The visit culminated in a feedback session where points of feedback, constructive challenge and informed criticism were relayed and replayed to the partners and practitioners sat around the table.

8.5 The feedback included areas of service remit and responsibility that were wholly in the domain of the county council as the statutory children's authority, however there were a number of areas where the behaviour, actions or policies of partners including districts and health bodies were vital to improving the outcomes for care leavers and improving the experience of being looked after.

8.6 One area, endorsed by the National Adviser for Care Leavers within the Department for Education is the introduction of a council tax exemption for care leavers aged 18 up to 25 with a council tax liability.

8.7 With regard to why it is proposed to award the exemption up to the age of 25, actions set out in the first cross-government care leaver strategy published in 2013 include:

- extending support from a local authority Personal Adviser to age 25;
- meeting training costs for care leavers undertaking apprenticeships up to age 25; and

- in order to assist care leavers in achieving financial stability, reviewing the case to extend the exemption to the Shared Accommodation Rate of housing support within Universal Credit, for care leavers to age 25.

A county wide council tax exemption for care leavers is therefore proposed up to age 25.

9. How does the decision contribute to the Council's Corporate Plan?

9.1 This decision will contribute to the aspirations of the Exeter Vision 2040.

10. What risks are there and how can they be reduced?

10.1 The table below, provided by Devon County Council on 11 August 2023, shows the number of care leavers in each area:

District	Recent Contact	Shared Accommodation (Recent)	No Recent Contact	Total
East Devon	43	14	29	86
Exeter	61	60	65	186
Mid Devon	15	9	18	42
North Devon	35	20	37	92
South Hams	7	4	11	22
Teignbridge	47	3	39	89
Torridge	23	3	32	58
West Devon	11	2	16	29
Sub-Total	242	115	247	604
Out of County	174	-	95	269
Total	416	115	342	873

Exeter has the highest number of care leavers, having double that of the second highest. Therefore the financial risk is much greater for Exeter City Council.

Being a prosperous city it is also possible that more care leavers will choose to come and live in Exeter due to greater job prospects, and this would increase the financial burden on the Council.

To be able to apply the exemption, the Council is reliant on receiving details of care leavers in the Exeter area and on a regular basis. If the Council is not aware that a liable person is a care leaver then there is the risk that the care leaver will be taken to court for non-payment of council tax.

If age profiled data is not provided to the Council on a timely basis, which has been problematic to date, the Council will not be able to get an understanding of future costs in advance to factor in to annual budget planning processes.

The Council's reputation could be damaged if its' neighbouring authorities have implemented the exemption and also if the majority of billing authorities in two-tier areas have implemented exemption schemes to support care leavers with paying their council tax.

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;

- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 This proposal is recommended to advance equality by removing disadvantage. The national statutory guidance on the application of the corporate parenting principles states that there are unique challenges that looked-after children and care leavers face. 60% of children become looked-after due to abuse or neglect and they have poorer educational and health outcomes than their peers. It further states that application of the principles is intended to ensure that all councils respond to the individual needs, vulnerabilities or disadvantages of looked after children and care leavers as this will assist in securing that such children and young people are not placed at significant disadvantage when compared with the support a non-looked after child or young person may receive from their family.

12. Carbon Footprint (Environmental) Implications:

12.1 No direct carbon/environmental impacts arising from the recommendations.

13. Are there any other options?

13.1 Under the Children and Social Work Act 2017, corporate parenting applies to both county councils and district councils. Similarly the duty to publish a local offer also applies to districts as well as county councils. Supporting with the cost of living through a discretionary Council Tax exemption will help care leavers manage the transition to adulthood and help make their own home a safe and affordable space.

It is possible to continue with the current approach by providing support through Council Tax Support (CTS) and Exceptional Hardship Funds. This is primarily driven by considerations in relation to low income and financial hardship. Three neighbouring district authorities have already committed to introducing an exemption with three more planning to also. By not introducing a discretionary exemption in Exeter there is a potential postcode lottery of some care leavers getting support and some not.

Director Finance, David Hodgson

Author: Laura Fricker, Service Lead Revenues, Benefits & Customer Access

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

The national statutory guidance on the application of the corporate parenting principles to looked after children and care leavers - [Applying corporate parenting principles to looked after children and care leavers - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/266484/Care_Leaver_Strategy.pdf)

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/266484/Care_Leaver_Strategy.pdf

Contact for enquires:
Democratic Services (Committees)
Room 4.36
01392 265275