

Report to: Cabinet



Date of Meeting 10 October 2023

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Care Leavers Council Tax Discount Policy

Report summary:

This report is seeking Members approval to implement a council tax discount scheme of up to 100% relief for care leavers until their 25th birthday from 1 October 2023.

Is the proposed decision in accordance with:

Budget Yes ☐ No ☒

Policy Framework Yes ☒ No ☐

Recommendation:

1. That Cabinet recommend to Full Council to agree to a Care Leavers discount scheme of up to 100% relief until their 25th birthday where Devon County Council has acted as their corporate parent. Scheme to apply from 1 October 2023 using our provision under S13A (1) (C) of the Local Government Finance Act 1992.
2. That Cabinet approves delegated authority is given to the Assistant Director for Revenues, Benefits, Corporate Customer Services to finalise the scheme criteria and make technical changes so we can ensure our scheme is aligned with the other Devon districts including any potential changes in scheme funding.

Reason for recommendation:

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 their families. Whilst not mitigating the impact of all of the disadvantages that care leavers have experienced, a council tax discount can provide a positive financial measure.

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Portfolio(s) (check which apply):

- ☐ Climate Action and Emergency Response
- ☐ Coast, Country and Environment
- ☐ Council and Corporate Co-ordination
- ☐ Communications and Democracy
- ☐ Economy
- ☒ Finance and Assets
- ☐ Strategic Planning

- ☐ Sustainable Homes and Communities
- ☐ Culture, Leisure, Sport and Tourism

Equalities impact Low Impact

An [equalities impact assessment](#) has been carried out as this is a new policy and also because East Devon District Council has included 'Children and Vulnerable adults' as an additional group to be included when considering the equalities impact of this policy. Although this has a high relevance the impact is low.

Climate change Low Impact

Risk: Low Risk; If we do not implement a local discount scheme for care leavers then this will disadvantage care leavers living in East Devon especially if other parts of Devon adopt a local scheme and could harm our reputation. Unless there is a significant rise in the number of care leavers then the annual costs are relatively minimal compared to the level of council tax we collect (circa £139m).

Links to background information 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_Leave_r_Strategy.pdf

Link to [Council Plan](#)

Priorities (check which apply)

- ☒ Better homes and communities for all
- ☐ A greener East Devon
- ☐ A resilient economy

1. Background

- 1.1 In England, care leavers are not exempt in legislation from paying Council Tax.
- 1.2 Corporate parenting principles for looked after children and care leavers stress the importance of joint working in supporting care leavers. At the Devon Strategic Parenting Board, work is underway to look at an enhanced approach to corporate parenting. This includes improving access for those in the care system to work experience and employment and, for when they leave care, to housing. The Council has a duty to co-operate with Devon County Council (DCC) in making arrangements for improving the wellbeing of children in Devon.
- 1.3 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.
- 1.4 The national statutory guidance on the application of the corporate parenting principles to looked 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.
- 1.5 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	✓		✓	✓	✓	

- 1.6 There are many authorities in the Country who are already providing up to a 100% discount for care leavers until their 25th birthday with a formalised scheme for this. In 2019, a Devon district wide process for supporting care leavers was agreed where DCC would provide details of care leavers so we could look at whether they were receiving their statutory entitlements as well as considering support under the Council's Exceptional Hardship fund. However, local authorities were reliant on data being provided by DCC and this approach did not necessarily guarantee financial support would be provided or ensure a consistent approach across the Devon districts.
- 1.7 At one of the Devon District Forum meetings (attended by Devon Chief Executives and Leaders) in June 2023 the issue of developing a consistent approach across Devon was discussed and an 'in principle' decision of implementing a new Devon wide council tax discount scheme was in the main agreed (subject to funding) with the aim of implementing this from 1 October 2023.
- 1.8 There are currently ongoing discussions with the Council's S151 officers in relation to the principles of funding this scheme and whether this should be shared in relation to the proportion of council tax each major preceptor receives rather than the full cost being met by the Billing Authority (East Devon).
- 1.9 The initial approach is to use our discretionary powers under S13A (1) (c) of the Local Government Finance Act 1992. This provision allows the Council to reduce liability in relation to individual cases or classes of cases. Using this provision means the full cost of any relief awarded is met solely by East Devon, even though we only retain 7% of any council tax.
- 1.10 Due to concerns being raised by some of the Billing Authorities over the principle of this being funded solely by the Billing authority and not being shared through the collection fund (i.e., in proportion to the share each authority receives, for East Devon this is 7%). A proposal now being discussed is that we instead incorporate support for care leavers within our Local Council Tax Reduction (CTR) Scheme for working age. The difference with this approach is that the cost is borne by the collection fund. However, this is not something we can implement straightaway. Although we have been advised it is possible to incorporate within our working age scheme it is not necessarily a natural fit as this is a means tested scheme whereas the support for care leavers isn't.

- 1.11 CTR Scheme for working age is a means tested council tax discount to support low-income households where we can provide up to 100% support. We would be unable to implement any changes mid-year because schemes have to be approved ahead of the financial year (deadline 11 March). In order to make changes to our working age scheme we are required to go out to public consultation. As we made significant changes to our scheme for 2023/24 (increasing support to 100%, changes to bandwidths, etc) we were not planning to make any revisions to our scheme for 2024/25. It should also be noted that the timelines for making changes are now incredibly tight as would need to allow for a minimum 6-week consultation period and due to other work priorities, we would not be in a position to do this until 2025/26.
- 1.12 This means that in order to implement a scheme from 1 October 2023 we would need to still implement a policy using the S13A (1) (C) provision, but this may only remain in place should we adopt an alternative approach such as incorporating support as part of our Local CTR Scheme policy. This is dependant upon an agreement with the Devon authorities and at the time of writing this report this is still in discussion. In order to revise our working age CTR scheme is a decision of Full Council.

2.0 Scheme proposal and next steps

- 2.1 The proposed scheme is that where a care leaver lives within the District that a discount of up to 100% will be awarded up to the care leaver's 25th birthday where Devon County has acted previously as a corporate parent. The discount will be awarded after the entitlement to all other discounts, exemptions and reliefs has been assessed. Devon County will financially support care leavers who live outside of the County.
- 2.2 A draft policy on the proposed scheme is at appendix 1. Where a care leaver lives on their own the relief will be 100%. It will only be a lesser amount of either 50% or 25% dependent upon the make-up of the residents liable to pay council tax living at the property. It is likely that most will fall in the 100% or 50% category.
- 2.3 The latest data provided by DCC indicates that the number of care leavers who are registered to pay council tax and are not already in receipt of a 100% relief is 15. Based on the current year's charge and after allowing for any discounts or relief the approximate cost if awarded for the full year would be circa £15K. Implementing the scheme from 1 October 23 would mean that the cost on this year would only be circa £7-£8K. Should the scheme be incorporated into our Council Tax Reduction Scheme for subsequent years then the cost to East Devon would be approximately £1,050 (this is calculated based on the current year charge and doesn't take account of subsequent annual rises). It may well be that a care leaver doesn't want help with their council tax which means the overall costs could be less.
- 2.4 There will of course be an ongoing cost as young people enter and leave the care system and go on to become care leavers.
- 2.5 The proposal will impact positively on care leavers as the removal of having to budget to pay their council tax will improve their ability to better manage their finances and reduce some of the barriers of day to day living.
- 2.6 The success of the scheme is contingent on us (and indeed all districts) receiving data from DCC on a timely basis, which has been problematic to date, and improvements are needed by DCC to ensure the system operates much more effectively in future if care leavers are not to be disadvantaged and have their claims delayed. To this end, Devon County Council has committed to provide updates on any changes on a monthly basis.
- 2.7 The Devon Revenues and Benefits Managers along with the S151 Officers will need to work together to finalise an agreed approach (to address the funding issue), ensure a consistent approach to scheme criteria and the process for the timely and accurate sharing of data with the children services team at Devon County Council.

3.0 Summary

- 3.1 Looked after children and care leavers are some of the most vulnerable residents in our society and can experience some of the worse outcomes as children and moving into adulthood. By adopting a council tax discount policy for care leavers not only formalises our approach but importantly provides a tangible way in financially supporting care leavers transitioning to adulthood.
- 3.2 As other Councils across the Country have implemented a local scheme then this will bring us in line and ensures care leavers are not disadvantaged from receiving help towards their council tax because of where they live.
- 3.3 The first recommendation is to implement a scheme to provide up to 100% council tax discount for care leavers until their 25th birthday from 1 October 2023 using the provision under S13A (1) (C) of the LGFA 1992. Recommendation 2 is for delegated authority to be given to the Assistant Director for Revenues, Benefits and Corporate Customer Access to make subsequent changes including potentially replacing/changing the policy (still retaining the same criteria/level of support) but to reflect changes in funding arrangements, such as incorporating this within our CTR Scheme policy.
- 3.4 As there is an ambition to have schemes in place effective from 1 October 2023 this approach ensures we can start supporting our care leavers but allows the flexibility to finalise our scheme criteria to ensure it's aligned with the other Devon districts but also to address the funding issues.

Financial implications:

Under the initial proposal where this is granted as a relief under our discretionary powers as identified in the report the cost in the current year is likely to be between £7k-£8k and for 2024/25 onwards circa £15k depending on the number of individuals and council tax rises. The scheme maybe amended going forward to share costs with other preceptors thereby reducing the cost to this Council.

Legal implications:

The legal issues are dealt with in the body of the report and the attached policy.