

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	8 th March 2016
Report of:	Kath O'Dwyer, Director of Children's Services and Deputy Chief Executive
Subject/Title:	Council Tax Exemption for Care Leavers
Portfolio Holder:	Children and Families

1. Report Summary

- 1.1. This report seeks approval to provide 100% exemption from the payment of Council Tax to Cheshire East care leavers.

2. Recommendation

- 2.1. Cabinet is recommended to approve:

- a) The proposal to provide 100% exemption to Cheshire East's care leavers from the payment of Council Tax, including those living outside of the Borough; and
- b) Amendments to the S13A policy and procedure, to include the above, as appropriate.

3. Other Options Considered

- 3.1. To consider a percentage exemption (50% or other amount) to all our care leavers from the payment of Council Tax.
- 3.2. To provide exemption to only those care leavers living within the Borough.

4. Reasons for Recommendation

- 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. Children and young people who are looked after by the local authority rather than their parents are amongst the most vulnerable groups in our community. Outcomes for this group is generally poor and, as corporate parents, the

Council has the responsibility to keep them safe, make sure their experiences in care are positive and improve their on-going life chances.

- 4.3. One of the key priorities of the corporate parenting strategy is to support young people to move to adult life. The Council's policy is that cared for young people only move into independent living when they are ready to do so and are well supported, including the 'Staying Put' policy which enables care leavers to stay in their foster carer placements beyond the age of 18. However, many care leavers choose to move into independent accommodation often at an earlier age than their peers.
- 4.4. A recent report¹ by The Children's Society suggests that care leavers are a particularly vulnerable group for council tax debt. It found that often, when care leavers move into independent accommodation, they begin to manage their own budget fully for the first time – this can be a 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 exemption. 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.
- 4.5. It is expected that this proposal will result in a decrease in emergency payments made to care leavers in crisis such as well as further reducing the dependency of these young people on other services.
- 4.6. This proposal would be a unique offer, the first of its kind and would seek to provide 100% exemption to all our care leavers from the payment of Council Tax, up until the age of 25.

5. Background

- 5.1. As at the end of December 2015, there were 394 children and young people in the care of Cheshire East Council and 219 care leavers. A care leaver is defined as a person who has been in the care of the local authority (looked after) for at least 13 weeks since the age of 14 and who was in care on their 16th birthday. Local authorities must plan for cared for children so that they have the support they need as they make their transition to the responsibilities of adulthood. The local authority's responsibility to care leavers extends until they reach the age of 21 or 24, where the local authority is involved in supporting them in higher education or training.
- 5.2. Cared for children and care leavers are one of the most vulnerable groups in society. The majority of these young people have suffered abuse or neglect. Research continually tells us 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 good arrangements to support these young people, including a 'staying put' policy, they tend to leave home at a younger age and

¹ *The Wolf at the Door. How council tax debt collection is harming children.* The Children's Society, March 2015

have more abrupt transitions to adulthood than their peers. Unlike their peers who normally remain in the family home, care leavers will often be living independently at age 18.

- 5.3. The recommendation to exempt care leavers from council tax has been proposed by a cross-service group working group that is monitoring the impact of the welfare reforms. Care leavers have been identified as a particularly vulnerable group.
- 5.4. Under Section 13A of the Local Government Finance Act 1992 the Council has the power to reduce liability for council tax in relation to individual cases or class (es) of cases that it may determine.
- 5.5. The proposal to exempt care leavers from council tax is aligned to the Council's policy of financial support to our care leavers and is part of an overall package of support offered to prepare our care leavers for independence and support them in the successful transition to adulthood. The focus of the financial policy for care leavers is to reward and encourage our young people to engage in employment and training, which this proposal further promotes.
- 5.6. Whilst the exemption from council tax would provide valuable support to a small group of care leavers, it does not represent a significant financial commitment for the Council. Recent estimates suggest this would be around £17k per annum. This is the cost after all other discounts have been applied.

6. Wards Affected and Local Ward Members

- 6.1. The recommendations will affect a small number of children and young people across all areas of Cheshire East. Some of our care leavers are placed outside of the borough.
- 6.2. All elected members are corporate parents and have a responsibility to ensure good outcomes for care leavers.

7. Implications of Recommendation

7.1. Policy Implications

- 7.1.1 If approved, the Council's Section 13A policy and procedure would need to be amended to include care leaver exemption.

7.2. Legal Implications

- 7.2.1 There are a number of pieces of legislation and statutory guidance that set out the role of the local authority in respect of cared for 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, and the Children and Young People Act 2008.
- 7.2.2 Under Section 13A of the Local Government Finance Act 1992 the Council has the power to reduce liability for council tax in relation to particular cases or

by determining a class of cases that it may determine and where national discounts and exemptions cannot be applied. Section 13 A, (1) 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*'.

7.3. Financial Implications

- 7.3.1 The majority of Cheshire East's care leavers already fall under a statutory exemption category for Council Tax. An assessment carried out by the Council Tax Team on the names and addresses of our care leavers showed that only 33 care leavers living within Cheshire East would be eligible for exemption as current council tax payers. This equates to an annual cost of around £11k per annum. In addition, the cost of meeting the costs for care leavers living outside of the borough is estimated at £6k per annum, giving an annual commitment of around £17k to the council, after all other discounts have been applied. This cost will be met from existing budgets and will be offset by a reduction in emergency payments to care leavers.
- 7.3.2 A precedent already exists for making payments for other council tax areas and it is proposed to follow the model for foster carer's council tax exemption, whereby these carers provide a copy of their council tax bill in order to claim reimbursement equivalent to their council tax liability.
- 7.3.3 In considering this proposal along with the overall package of financial support proposed, it is expected that we will see a decrease in emergency payments made to care leavers in crisis as well as further reducing the dependency on services that is experienced by some of our young people.

7.4 Equality Implications

- 7.4.1 A key statutory duty within the Equality Act 2010 is the requirement to advance equality of opportunity between different groups/people, who share a relevant protected characteristic and persons who do not share it; by encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.
- 7.4.2 A child or young person may come into care as a result of temporary or permanent problems facing their parents, as a result of abuse or neglect, or as a result of a range of difficulties, including not having a parent to care for them. National research indicates that this group is significantly disadvantaged in a range of outcomes compared to their peers.
- 7.4.3 In accordance with our equality duty, this proposal will therefore result in more favourable treatment being applied to our care leavers, in order to advance equality of opportunity, with the overall aim of removing financial barriers, resulting in increased opportunities for employment, education and/or training opportunities.

8. Access to Information

- 8.1. The background papers relating to this report can be inspected by contacting the report writer:

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