

Report to: **COUNCIL**  
Date: **3 October 2023**  
Title: **Supporting our Care Leavers: Council Tax**

Portfolio Area: **Leader – Cllr Ewings**

Wards Affected: **All**

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## **RECOMMENDATION**

**That Council RESOLVES to formally adopt a Council Tax Discount Scheme for Care Leavers (as set out at Appendix A) with effect from 1 October 2023.**

### **1. Executive summary**

- 1.1 Corporate parenting principles for looked after children and care leavers stress the importance of joint working in supporting care leavers. At the Devon Strategic Corporate 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 statutory duty to co-operate with the County Council in making arrangements for improving the wellbeing of children in Devon.
- 1.2 Another way in which we can support care leavers is by awarding a discretionary council tax discount and at a recent meeting, the DfE National Adviser for Care Leavers endorsed this approach. By providing financial support in this way, we can help care leavers manage the transition to adulthood offering financial assistance as many parents do as their children move toward independence.
- 1.3 In July 2016, the government published “Keep on Caring” a strategy for supporting young people from care to independence which highlighted that awarding Council Tax discounts to this group was best practice. Research has been undertaken that shows Devon is currently an outlier nationally in not awarding a

Council Tax discount to all care leavers as of right. The vast majority of two-tier areas already apply a 100% discount up to the care leaver's 25<sup>th</sup> birthday.

- 1.4 In order to ensure uniformity of approach, the Devon billing authorities (district councils) have been working with Devon County Council to agree a common Council Tax discount scheme which is proposed to be effective from 1 October 2023.
- 1.5 Having consistency across Devon avoids a potential postcode lottery of some care leavers getting support and others not, simply based on where they happen to live. This is because the approach to date has been to provide support through Council Tax Reduction and Exceptional Hardship Funds, which are only accessible to those care leavers on a low-income.
- 1.6 It is important to note that Council Tax discretionary discounts must be funded by the billing authority i.e. West Devon Borough Council. However, in order not to disadvantage care leavers living outside the county area, Devon County Council has agreed to fund the discounts for those living outside of Devon.
- 1.7 It should be noted that the success of the scheme is contingent on the Council (and indeed all districts) receiving data from Devon County Council 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.
- 1.8 A version of this report was considered by the Hub Committee at its meeting held on 19 September 2023 and the Members of that Committee unanimously supported the recommendation.

## **2. Background**

- 2.1 We have a moral imperative to do our very best for looked after children and care leavers. We can do this by acting in a way a good parent would by providing the necessary care and support to help them reach their potential. 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 for individual cases or by class. This includes reducing the amount payable to zero.
- 2.2 The Government made recommendations in its care leavers strategy "Keep on Caring" that local authorities should consider exempting carer leavers from Council Tax, using their existing discretionary powers under Section 13A. As a result, many Councils have introduced a council tax discount for care leavers.

- 2.3 Care leavers are considered a particularly vulnerable group for Council Tax debt. Moving to independent accommodation and managing their finances for the first time is challenging, as care leavers do so without the family support and the wider network that most young people can rely on, and indeed take for granted.
- 2.4 The Devon billing authorities and Devon County Council have been working together to agree a common Council Tax discount scheme for care leavers with the same qualifying criteria and level of discount across Devon. Any discount awarded using this discretionary power must be funded by the billing authority, i.e. West Devon Borough Council. Devon County Council has agreed to fund the discount for any care leavers living outside of Devon.
- 2.5 There have been informal discussions amongst districts chief executives and with district leaders at Devon Districts Forum, which indicate there is in principle support for this approach, subject to clarifying the financial implications.
- 2.6 The latest information provided by Devon County Council confirms that there are 9 care leavers living in West Devon and liable for Council Tax. We have been working with DCC to obtain consent from care leavers to assess their individual positions. This shows the estimated financial impact to be £3,461 for the period from 1 October 2023 (full year effect of £6,922).
- 2.7 There will, of course, be an ongoing financial impact as young people enter and leave the care system and go on to become care leavers. The high-level age profiled data provided by DCC shows that over the next 5 years we can expect to see approximately 12 care leavers in the system at any time. The actual costs will reflect the individual circumstances of the care leavers, but assuming the current cohort is representative of what will follow we can anticipate annual costs (loss of income) in the region of £7,000 to £10,000. This is considered acceptable and the cost can be financed within the Council's share of the Collection Fund surplus for council tax.
- 2.8 It is critical that DCC provides age profiled data to enable all districts to plan well in advance, providing an understanding of future costs to be factored into annual budget planning processes.
- 2.9 Devon Heads of Revenues and Benefits will work together with Devon County Council children's services department to implement an effective and consistent process.
- 2.10 **Options available and consideration of risk:**

- a. While the Children Act 2004 places the onus upon county councils to make arrangements for improving the well-being of children in its area, district councils have a duty to co-operate in those arrangements. Supporting with the cost of living through a council tax discretionary discount will help care leavers manage the transition to adulthood and help make their own home a safe and affordable space.
- b. We could continue with the current non-uniform approach by providing support through Council Tax Reduction and Exceptional Hardship Funds. This is primarily driven by considerations in relation to low income and financial hardship meaning that there is a potential postcode lottery of some care leavers getting support and some not.

### 3. Proposal and Next Steps

- 3.1 It is proposed that the Council will award a council tax discretionary discount of 100% up to the care leaver's 25<sup>th</sup> birthday. The discount will be awarded after the entitlement to all other discounts and exemptions has been assessed. The discount will only apply to care leavers living in Devon, with Devon County Council supporting the approximately 150 care leavers who live outside of the county.
- 3.2 By taking a uniform approach, we will be supporting all Devon care leavers by implementing a scheme which does not stigmatise them and provides a simple process which means all care leavers can access support.
- 3.3 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 manage their finances and reduce some of the barriers to day to day living which may currently exist such as the price and scarcity of suitable accommodation in West Devon.

### 4. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		<p>Under the Children Act 2004 the County Council has a statutory duty to make arrangements for improving the well-being of children in its area relating to-</p> <ul style="list-style-type: none"> <li>(a) physical and mental health and emotional well-being;</li> <li>(b) protection from harm and neglect;</li> <li>(c) education, training and recreation;</li> </ul>

		<p>(d) the contribution made by them to society;</p> <p>(e) social and economic well-being.</p> <p>The Council as “a relevant partner” must co-operate in the making of such arrangements.</p> <p>Section 13A(1)(c) of the Local Government Finance Act 1992 (as amended) gives the Council discretion to reduce the amount of Council Tax payable by individual cases or by class.</p>
Financial implications to include reference to value for money		<p>The full cost of any discount awarded under Section 13(A) (1) (c) will be borne by West Devon Borough Council.</p> <p>The actual costs will reflect the individual circumstances of the care leavers, but assuming the current cohort is representative of what will follow we can anticipate annual costs (loss of income) in the region of £7,000 to £10,000. This is considered acceptable and the cost can be financed within the Council’s share of the Collection Fund surplus for council tax.</p>
Risk		<p>If the Council Tax Discount scheme for care leavers is not implemented, it may leave care leavers financially disadvantaged.</p> <p>The Council’s reputation is likely to be damaged and the majority of billing authorities in two-tier areas have implemented schemes to support care leavers with paying their council tax.</p>
Supporting Corporate Strategy		
Consultation & Engagement Strategy		The Scheme has been developed by Devon Chief Executives.
Climate Change - Carbon / Biodiversity Impact		No direct carbon/biodiversity impact arising from the recommendations.
<b>Comprehensive Impact Assessment Implications</b>		
Equality and Diversity		Looked after children and care leavers are some of the most vulnerable residents in our society and can experience some of the worst outcomes as children

		<p>and moving into adulthood. They are not one of the protected groups outlined in the Equality Act 2010.</p> <p>A full Equalities Impact Assessment was not deemed necessary as this proposal is designed to have a positive impact on a cohort of young adults (care leavers). We have considered the impact in terms of age and whilst the proposal is based on the 18 to 24 age range, age has been used as a criteria to accessibility and in a positive way.</p> <p>Care leavers with protected characteristics will be entitled to this discount alongside all other care leavers.</p>
Safeguarding		
Community Safety, Crime and Disorder		None directly arising from this report.
Health, Safety and Wellbeing		The additional support will have a positive impact on the health, safety and wellbeing of care leavers.
Other implications		None directly arising from this report.

**Appendices:**

A - Council Tax Care Leavers Discount Scheme

**Background Documents:**

None