



Date of Meeting: 4 September 2019

Lead Member: Cllr Andrew Parry Lead Member for Children, Education and Early Help

Lead Officer: Sarah Parker – Executive Director for People - Children

Executive Summary: In 2017 and 2018, the Corporate Parenting Board considered how to support a national campaign led by The Children’s Society to exempt care leavers from council tax until the age of 25 in order to prevent debt after leaving care.

This paper reviews the progress of the campaign across the UK, and explores the options adopted by English local authorities which have supported the campaign.

Equalities Impact Assessment: See background papers

Budget: The potential cost to Dorset Council could be £200,000. Further work is taking place to refine this estimate.

Risk Assessment:

Having considered the risks associated with this decision, the level of risk has been identified as:

Current Risk: LOW

Residual Risk LOW

Climate implications: NA

Other Implications: NA

Recommendation: That Corporate Parenting Board recommend to Cabinet that Dorset Council exercise its powers under the Local Governance Finance Act 1992, Section 13A so that Dorset care leavers up to the age of 25 receive discretionary discount on their Council Tax bill as of 1 April 2020.

Reason for Recommendation: Dorset Council has a duty to act as a corporate parent to children. Care leavers face a range of pressures when they start to live independently for the first time. This recommendation will help these care leavers manage the transition to adulthood.

Appendices:

Background Papers:

[Claiming after care: Care leavers and the benefits system](#), August 2017

[A National Offer for care leavers: Preventing them from falling into financial difficulty](#), December 2016

[The cost of being care free: The impact of poor financial education and removal of support on care leavers](#), September 2016

[The Wolf at the Door: How council tax debt collection is harming children](#), March 2015

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Background

1. The Children's Society have campaigned around the issue of care leavers and council tax since 2015. The campaign is based on research which found that many care leavers fell into a pattern of debt when transitioning to adulthood. Reasons for this include:
 - Lack of support networks of family and friends
 - Lack of financial education while in care
 - Care leavers are more likely to be subject to benefit sanctions than other claimants
2. Care leavers are exempt from council tax in Scotland and Wales, and 102 English local authorities. In England, there are differences in how "exemption" is applied
 - Are care leavers exempt up until 21 or 25?
 - Does exemption from council tax in a local authority area apply only to care leavers from that local authority, or are all care leavers eligible?
 - Are care leavers exempt from payment, or do they claim a refund?
 - How does the policy applied to shared living?
3. Dorset Council has corporate parenting responsibility for 225 care leavers aged between 18 and 25. Of the 130 care leavers who live in Dorset, 64 live in Weymouth and Portland. Of the 95 care leavers who live outside Dorset, or

whose whereabouts is unknown, 33 live in Bournemouth, Christchurch and Poole.

4. 66 care leavers are in full time education and exempt from council tax for the duration of their studies. 26 of these live in Dorset.
5. There are therefore 104 care leavers resident in Dorset who would be liable for council tax. We do not collect data on the amount of council tax which they pay, or on the composition of their households. 37 of these care leavers are not in employment, education or training and are likely to qualify for council tax support currently.
6. As a rough guide, the potential cost to Dorset could be £200k pa (based on 104 carers x av. Council tax charge[band D]). Further work will take place to refine these figures before any report is submitted for consideration by Cabinet.

How the discount works

7. Scotland was the first nation to introduce council tax discount for care leavers in April 2018, and was followed by Wales in April 2019. Although the two national assemblies took a lead in this, in practice the matter is devolved to local authorities and there are a variety of approaches to implementation.
8. In Scotland, CELCIS, the Centre for Excellence for Children's Care and Protection brought together local authorities and other stakeholders to produce best practice principles:

As good corporate parents, local authorities should take action based on the 'assumption of entitlement' principle. Therefore:

- Eligible young people should not have to 'apply' for or request this 'exemption'
- There is no legislative necessity for a young person to sign/complete a form, therefore local authorities should avoid any unnecessary paperwork to be completed by a young person
- Legislation does not require any evidence over and above a professional endorsement
- Eligible young people in contact with services are easier to identify
- Additional measures should be taken to identify and notify eligible care leavers who are no longer in contact with support services, or who have moved to another local authority area

9. In Wales, Carmarthenshire is an area which has adopted this sort of approach:

We have introduced a Council Tax discount scheme for care leavers for whom we had corporate parenting responsibility at the point at which they left care.

The discount will be granted to care leavers aged 18 up to their 25th birthday that are still engaged with the corporate parenting team.

The amount of discount will be the care leaver's Council Tax liability after any other reductions, such as a single person's discount or Council Tax Reduction (Benefit) have been taken off the bill. That means, the amount shown on the care leaver's Council Tax bill will be covered by the discount, leaving nothing to pay.

The same discount scheme will also apply where the care leaver is living with another person and is jointly responsible for paying the Council Tax bill. The entire bill, after any other reduction, will be covered by a discount.

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The discount will be granted automatically with no application necessary and it will not depend on the care leaver's financial situation.

10. English councils which have awarded discounts to care leavers have taken a variety of approaches

- Some only apply the discount to their own care leavers, others to all care leavers
- Some apply the discount up to age 25, others for an initial period of independent living
- Some automatically apply the discount if a young person is known to the council, others require an application of some sort
- Some have excluded qualifying care leavers from the scheme
- The extent of applying the discount when the property contains other householders varies

All local authorities seem to apply the discount to the bill which remains after other exemptions or support have been applied, and amend this to nil.

11. The most complex area is how to apply any discount to care leavers when they are living in shared accommodation. Further work will take place to shape proposals which ensure that care leavers are not discriminated against, or their housemates disadvantaged, in these circumstances.

Recommendation

12. It is recommended that:

- a. There is a discount for council tax for care leavers who fall under the corporate parenting responsibility of Dorset Council. This should apply to qualifying care leavers where a decision has been taken that they should receive a service due to their vulnerability
- b. The discount should apply up to the age of 25.

- c. The discount should be applied after all other discounts have been applied and before council tax support has been taken into account.
- d. The discount should be applied automatically in respect of care leavers who are in touch with Dorset Council. Care leavers who have fallen out of touch will need to apply for the discount.
- e. That further proposals are developed where care leavers are living as part of a household.