

**COUNTY COUNCIL**

<b>Date of Meeting</b>	Tuesday, 19 June 2018
<b>Report Subject</b>	Council Tax Care Leavers Discount Scheme
<b>Report Author</b>	Chief Officer – Strategic Programmes

**EXECUTIVE SUMMARY**

A recent campaign by the Children’s Commission for Wales has highlighted the difficulties that care leavers face in managing their money and paying bills (including payment of council tax), after leaving care.

This report seeks support from members on proposals to provide a discount of up to 100% from the payment of Council Tax to care leavers, aged between 18 and 25, and who reside in Flintshire.

The Council has discretion powers to reduce Council Tax liability for any individuals or prescribed groups. This discretion is exercised in accordance with 13a (1) of the Local Government Finance Act 1992.

The proposals, if supported by County Council, will see Cabinet adopting a new council tax discount scheme, effective from 1<sup>st</sup> April 2018, which would result in care leavers being offered a Council Tax discount of up to 100% depending on their household composition.

Providing this support will go a long way in helping care leavers manage the social and financial transition from local authority care to independent living. The introduction of this scheme will also help the Council to meet the objectives contained within the Well-being of Future Generations Act (Wales) 2015.

**RECOMMENDATIONS**

1	Provide feedback to Cabinet on the potential introduction of a Council Tax Discount scheme for Care Leavers.
2	Support the development of a Council Tax Discretionary Discount scheme for Care Leavers, subject to final approval of Cabinet, with the aim of providing discounts of up to 100% to all care leavers up to the age of 25.

## REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE PURPOSE OF A COUNCIL TAX DISCOUNT SCHEME FOR CARE LEAVERS</b>
1.01	Corporate parenting is one of the most important statutory functions 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 other parent would strive for with their own children.
1.02	Looked after children and care leavers are amongst the most vulnerable groups in society. Outcomes can sometimes be poor and the Council has a responsibility to provide care leavers with the best future prospects available as care leaver's transition from local authority care into independent living.
1.03	A recent campaign by the Children's Commission for Wales has highlighted the difficulties that care leavers face in managing their money and paying bills (including payment of council tax), after leaving care. Managing budgets can be very challenging for most people, but none more so than care leavers as they transition into adulthood; adjusting to independent living by themselves or with others. Care leavers whose transition is often 'not of choice' and whose life experiences are often characterised by limited family support networks are most likely to find it even more difficult than their counterparts, especially at a relatively young age, to be subject to bills like council tax.
1.04	There is currently no specific exemption or discount scheme for care leavers in Council Tax legislation. Consequently, the only way to provide a discount for care leavers liable for council tax is to grant a discretionary discount under section 13a (1) (c) powers which is then funded by the Councils General Fund.
1.05	Welsh Government and the Children's Commissioner for Wales are actively encouraging local authorities to adopt a discount scheme for care leavers. Welsh Local Government Association (WLGA) also supports the introduction of the discount scheme but believe it should be legislated for, in the same way as other council tax discount schemes are built into the Tax Base. By doing so, would provide uniformity and consistency of approach. It would also allow the discount to be absorbed into the Tax Base setting process, as opposed to local authorities needing to set aside specific budget provision to fund the cost of awarding discounts.
1.06	In the interim period, there is the opportunity to act now by introducing a local scheme from 1 <sup>st</sup> April 2018 which will operate in a similar way to other council tax care leaver discount schemes being developed by local authorities in Wales and England.
1.07	If the introduction of a discount scheme is supported by Council and then adopted by cabinet, any discretionary discount for care leavers would take effect from 1 <sup>st</sup> April 2018, or the date on which a care leaver's liability to pay council tax first arises where that date is later than 1 <sup>st</sup> April 2018.

1.08	<p>The scheme will be administered by the creation of a policy framework that clearly sets out the qualifying criteria for discounts of up to 100%. The high-level principles of the proposed care leavers scheme will include:</p> <ul style="list-style-type: none"> <li>• The discount would be awarded against any council tax liability arising from 1<sup>st</sup> April 2018 and the Council will have discretion to backdate future awards to 1<sup>st</sup> April 2018.</li> <li>• The discount will not be means tested.</li> <li>• The discount will apply to care leavers between the ages of 18 and 25 and will be awarded to the net liability after the award of other statutory discounts, disregards, exemptions or Council Tax Reduction entitlements.</li> <li>• Where a care leaver is aged between 18 to 25 and resides in a household but is not liable for Council Tax, the Council Tax person(s) will be able to apply for a discretionary discount if the presence of the care leaver results in an increase in the Council Tax payable; the level of discount will be equivalent to the amount by which the council tax has increased for the householder.</li> </ul>
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<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	Working with colleagues in the Children’s Services Portfolio indicates at least 5-10 young adults may qualify for a discount, including care leavers who reside in Flintshire but have previously been in the care of another local authority.
2.02	Although it is difficult to accurately predict the level of ‘take-up’, the initial analysis indicates that the cost of providing this discount could be £14k per annum.
2.03	Unlike other Council Tax discounts and exemptions which are absorbed into the Tax Base, the cost of operating this scheme would be met from the Councils General Fund and therefore will marginally reduce the level of funding available to support the Councils Revenue Budget in 2018-19. It is important that the proposals as set out in this report are seen in the context of the overall package of support offered to prepare care leavers for independence.
2.04	The cost of providing the scheme in 2019-20 will be built into future budget projections.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	The purpose of this report is to gauge the level of support from all elected members of introducing this discretionary discount scheme, prior to cabinet formally considering the adoption of a scheme to provide discounts of up to 100% to care leavers.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	The proposed discount scheme, if approved, will have a very positive impact on care leavers, which are considered a vulnerable group, where there is a significant risk of them falling into debt as they transition from care into adulthood and having to manage money, for the first time in many cases, without family support.
4.02	Although the scheme is financed by the Council, and ultimately by other council tax payers, it is seen to be very much in the wider public interest to introduce this scheme to support this group of young adults.

<b>5.00</b>	<b>APPENDICES</b>
5.01	None.

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<ul style="list-style-type: none"> <li>Local Government Finance Act – section 13A (1) (c)</li> <li>Well-being of Future Generations Act (Wales) 2015</li> </ul> <p><b>Contact Officer:</b> David Barnes, Revenues Manager  <b>Telephone:</b> 01352 703652  <b>E-mail:</b> <a href="mailto:david.barnes@flintshire.gov.uk">david.barnes@flintshire.gov.uk</a></p>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<p><b>Children’s Commissioner for Wales:</b> is responsible for protecting children’s rights as set out in the Convention of the Rights of the Child. The Commissioner also supports and listens children and young people in Wales as well as speaking up on important issues and influencing government on policy matters that impact on children and young people.</p> <p><b>Welsh Local Government Association:</b> represents the interests of local government and promotes local democracy in Wales. Its primary purposes are to promote better local government and support local authorities in the development of policies and priorities which will improve public services and democracy.</p> <p><b>Council Tax Base:</b> is a measure of the Council’s ‘taxable capacity’ taking into account the number of properties subject to Council Tax after taking into account statutory discount, disregard and exemption schemes.</p> <p><b>Council Fund Revenue Budget:</b> Prior to the start of each financial year, the Council is required to set a budget for its day-to-day expenditure to pay for local service. This is called a Revenue Budget and is the amount of money the Council requires to provide its services during the year, taking into account grants it also receives from Welsh Government.</p>