

Bath & North East Somerset Council

MEETING/ DECISION MAKER:	Cabinet	
MEETING/ DECISION DATE:	7th February 2017	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3028
TITLE:	Section 13A Exemptions to Council Tax for Care Leavers & Foster Carers	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Appendix 1 – Care Leavers Relief Scheme Appendix 2 – Foster Carers Relief Scheme		

1 THE ISSUE

- 1.1 To use the Council's power as a billing authority to reduce to nil the amount of council tax payable by young people leaving care, and to apply a 25% discount to council tax payers acting as foster carers, as permitted by section 13A of the Local Government Finance Act 1992 from 1 April 2018.
- 1.2 The details relating to the eligibility and application process are covered in the Schemes as set out in Appendix 1 & 2 attached to this report

2 RECOMMENDATION

The Cabinet is asked;

- 2.1 To agree that a class of reduction will be applied in accordance with the Bath & North East Somerset Care Leaver Relief Scheme detailed in Appendix 1 of this report.
- 2.2 To agree that a class of reduction will be applied in accordance with the Bath & North East Somerset Foster Carers Relief Scheme detailed in Appendix 2 of this report.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The setting up of the scheme is relatively straight forward and requires additional exempt categories to be set up in the Council's administration system.
- 3.2 Applicants will need to be identified and awards granted in accordance with the rules as set out in the scheme (s) attached.

- 3.3 The scheme will need to be monitored.
- 3.4 As this is an arrangement under Section 13A of the Local Government Finance Act 1992, the cost of the awards will fall upon the Billing Authority and its tax payers. It will need to be taken in to account when setting the Tax Base and subsequent charges. The cost of the Relief has to be met through an increase in the general level of Council Tax for other payers or from the general fund.
- 3.5 We are currently providing a service to 80 care leavers between age eighteen and twenty one. Of these 18 are liable to pay some amount of Council Tax. Approximately 15 of these care leavers currently receive some Council Tax Support and 3 do not receive any Council Tax Support. Approximate cost of this scheme, giving 100% exemption irrespective of house band, for those aged 18-21 would be £6,600.
- 3.6 We don't know the circumstances of the care leavers aged 21-25, but a reasonable presumption would be that this cohort has a higher number of households liable to pay some amount of Council Tax. The total cost of the relief proposed cannot be determined precisely as the number of care leavers who would continue to reside in Bath & North East Somerset cannot be accurately determined and neither can the value of the national discounts and exemptions for Council Tax Support they currently receive. However; an estimated cost of £30,000 for Care Leavers relief is deemed reasonable.
- 3.7 The Fostering Team currently has 64 households who provide fostering services to our children. Thirty nine of these are within B&NES. It is estimated that by awarding a 25% discount to households where foster carers have a child staying with them and meeting the eligibility criteria as set out in Appendix 2 will cost in the region of £15,000
- 3.8 It should be noted that we already operate a Council Tax Support Scheme to help people pay Council Tax when they are on a low income and we do consider allowing Hardship payments to those people who are identified as needing additional support (usually of a temporary nature), so any Care Leavers or Foster Carer's scheme will be in addition to Council Tax Support if a balance remains payable.
- 3.9 Taking into account the uncertainties mentioned above it is estimated that these two schemes will cost the Council around £45,000 and there will be a provision in the 2018/19 budget to allow for this.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 The Council has discretion to reduce council tax under Section 13A (1) (c) of the Local Government Finance Act 1992. A scheme which discounts council tax liability for care leavers who are living in Bath & North East Somerset is lawful and reasonable as it supports the Council's corporate parenting role for care leavers up to the age of 21, and 24 for those in education and training.
- 4.2 The Council has discretion to reduce Council Tax under Section 13A (1) (c) of the Local Government Finance Act 1992. A scheme which provides a discount from Council Tax for foster carers who are living in Bath & North East Somerset and looking after foster children is lawful and reasonable as it supports the Council's objective to encourage new people to become foster carers.

5 THE REPORT

- 5.1 At the Council meeting in September 2017 it was agreed that Cabinet should investigate the possibility and implications of implementing a scheme to exempt care leavers and foster carers from Council Tax with a report to Council in time for budget setting.
- 5.2 As detailed above in 4.2 the Council has power to reduce Council Tax in such circumstances and this report includes such investigations and makes appropriate recommendations.
- 5.3 This issue has been raised by a Children's Society campaign that has identified a range of disadvantages care leavers uniquely experience. In particular care leavers are a vulnerable group for council tax debt. The Children's Society details the case for care leavers at least up to the age of 21 to be exempted from paying Council Tax.
- 5.4 However, we propose to apply Care Leavers relief to every care leaver until their 25th birthday for the following reasons;
- the Council has a parenting role which in some circumstances lasts until the care leaver is 24.
 - the scheme will be simpler and easier to administer.
 - the scheme will not distinguish or exclude any sub-set of care leaver.
- 5.5 The Council agrees with the campaign's principle sentiments that young people's transition out of care and into adulthood is extremely difficult and that managing money for the first time without support from family leaves care leavers at real risk of falling into debt.
- 5.6 Corporate parenting is a statutory function of the Council. The underlying principle is that every local authority will seek the same outcomes for young people in care that every good parent would want for their children.
- 5.7 Care leavers who were looked after by a local authority rather than their parents are amongst the most vulnerable groups in our community. Outcomes for this group are generally poor and, as corporate parents, the Council wants to keep them safe, make sure their experiences leaving care and moving into independent living are positive and improve their ongoing life chances.
- 5.8 The Council accepts its role as a responsible parent and wants to further support those young people who have left care to be able to live independent lives as adults. The proposed scheme will reduce to nil the amount of Council Tax a care leaver pays so that Council Tax cannot become a problem debt.
- 5.9 The Council is a registered Foster Care agency which was rated outstanding by OFSTED. By recruiting and training carers locally we can support carers to provide care for local children and keep the children as close as possible to their home communities. Furthermore, we are proud of the high standard of care we provide and are committed to the service delivering the very best outcomes for those children we have corporate parenting responsibility for.

- 5.10 Customer Services and Children Service teams will work together to make it as easy as possible for Care Leavers to access this relief. For young people in Bath & North East Somerset leaving our care, the process should be seamless and invisible, with Children's Services automatically registering care leavers with the Customer Services team for the relief to be awarded. For those living in our area but leaving another Council's care, we shall endeavour to make the application process for relief as simple, comprehensive and automatic as possible to maximise take up.
- 5.11 In order to adopt the Care Leavers relief scheme and Foster Carers relief scheme, the Council will need to create a class of charge payer that describes the eligibility criteria and decide in each individual case to grant care leavers relief and this is set out in the appendices to this report

6 RATIONALE

- 6.1 By introducing a care leavers relief scheme the Council is reducing the financial burden on care leavers within its area.
- 6.2 This is an initiative that was supported across all parties at a recent Council meeting and the implementation of the scheme (s) are deemed to be of benefit to all Council Tax payers in the area.
- 6.3 The scheme (s) for Council Tax relief can only apply to Council Tax payers resident in Bath & North East Somerset, although it is recognised the parenting responsibility for care leavers extends to people who may now live outside the Council's area. The Council is keen to work with neighbouring authorities to encourage a similar approach in these areas.
- 6.4 The Fostering Industry is a highly competitive environment, with over 40 Fostering Agencies considering this region part of their service area. Carers who are approved foster carers have highly desirable skills and will move to another agency if their needs are not being met or the values of the agency appear to contradict their own. The process to recruit and train a carer is at least 6 months, following which they will become more skilled as they gain experience. Therefore retention of carers is a crucial component to a successful agency.
- 6.5 A significant proportion of the costs of a Fostering Agency are fixed costs – registration, regulatory compliance, staffing, training, office space and business support. As we recruit more carers and place more children the cost per placement reduces.
- 6.6 With these issues in mind the decision to award 25% discount to foster carers who are placed by this Council and whilst living in this area is considered most appropriate.

7 OTHER OPTIONS CONSIDERED

- 7.1 We have looked at a number of options from doing nothing to providing funds for care leavers living outside the Council's area.
- 7.2 We have also considered a variable rate of discount to be applied to care leavers depending upon age and circumstances but we felt this was cumbersome and confusing.

7.3 We feel that simple schemes for both care leavers and foster carers will help us to target those most in need at the lowest cost to the Council Tax payers in general. An Equalities Impact Assessment for both schemes has been conducted and is published on the Council's website.

8 CONSULTATION

8.1 We have considered the professional opinion of those involved with Care leavers and Foster Care and we have looked at the national picture on this issue. There is consensus that applying this relief will support key vulnerable groups and ultimately be of benefit to the whole community.

8.2 We have also published details of our intended scheme (s) on the Council's web pages for a period of six weeks and sought feedback with limited responses which support this approach.

9 RISK MANAGEMENT

A Risk assessment of the two schemes has been considered.

Contact person	<i>Ian Savigar, Divisional Director Customer Services: Tel 01225 477327</i>
Background papers	https://www.childrenssociety.org.uk/what-we-do/resources-and-publications/the-wolf-at-the-door-how-council-tax-debt-collection-is
Please contact the report author if you need to access this report in an alternative format	

Care Leavers Relief Scheme

Policy for determining applications for Council Tax reduction under Section 13A (1) (c) of the Local Government Finance Act 1992 in respect of Care Leavers and Foster Carers.

1. Background

- 1.1 The Council recognises that young people's transition out of care and into adulthood is extremely difficult. Managing money for the first time, without support from family, leaves care leavers at real risk of falling into debt. The Council has decided to support those Council Tax charge payers leaving its care by reducing their net liability for council tax to Bath and North East Somerset Council under the national scheme and after council tax support to zero, until the charge payer's 25th birthday.
- 1.2 Under Section 13A(1-3) of the Local Government Finance Act 1992 (as amended), 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. The Act contains these provisions:
 - I. Where a person is liable to pay Council Tax in respect of any chargeable dwelling and 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. This allows for a further reduction where a reduction under Council Tax support has been applied
 - II. The power under subsection 1) above includes the power to reduce an amount to nil
 - III. The power under subsection 1) may be exercised in relation to particular cases or by determining a class of case in which liability is to be reduced to an extent provided by the determination.
- 1.3 There are financial implications to awarding any discounts other than those currently available under the statutory legislation and the financial burden of Section 13A discounts has to be met through an increase in the general level of Council Tax for other payers or from the general fund.
- 1.4 1.4 In addition to this:

The granting of Section 13A discounts would reduce income from Council Tax;

The Council Tax Support scheme exists to ensure that those on low incomes receive financial assistance with their Council Tax.
- 1.5 In order to provide further support for care leavers, Council Members have decided that in cases where the person liable for Council Tax is a "Care Leaver" that their Council Tax bill will be reduced to zero, after any other national reliefs and Council Tax Support (where applicable) have been applied.
- 1.6 This policy will apply up to and including the date of the day before the care leavers 25th birthday.
- 1.7 Reducing Council Tax in these circumstances will hereafter be known as an award of Care Leavers Relief.
- 1.8 "Care Leaver" means a person aged 25 or under, who has been looked after by a local authority for at least 13 weeks since the age of 14; and who was looked after by the local authority at school-leaving age or after that date.

2. Carer Leavers Relief application process

- 2.1(a) this can be accessed through the identification and nomination of a care leaver by the Council's Children's Services to the Council's Council Tax Service or;
- 2.1(b) through the identification and nomination by any other public body or professional organisation that confirms that the care leaver was in care (being 'looked after' as a result of a statutory obligation);
- 2.1(c) In any other circumstance by application through the Resident Support Scheme. The Resident Support Scheme sets out how the council tax welfare provision can be applied and will adopt this care leavers policy as the prescription for awarding Care Leavers Relief.
- 2.2 The award can be made for any period from 1st April 2018 where the care leaver is liable for Council Tax.
- 2.3 Any award given to an individual case will end on the day before their 25th birthday.

3.0 Eligibility Criteria

The following will be assessed when making a decision:

- 3.1 Whether the care leaver has applied for any national reliefs, exemptions or discounts to which they would be entitled. These must be assessed before Carer Leavers relief is awarded.
- 3.2 Whether the care leaver applied for any Council Tax Support to which they would be entitled. This should be assessed before Care Leavers relief is awarded.
- 3.3 The last day of the period of the award will be the day before the Care Leaver's 25th birthday.
- 3.4 Bath & North East Somerset Children's or Social Services or other public body or professional organisation have confirmed that the statutory conditions have been met to determine that the applicant is a care leaver

3.5 Whether Bath & North East Somerset is the Council Tax billing authority to whom the care leaver is liable to make Council Tax payments.

3.6 If subsequent to an award the Applicant's liability for Council Tax reduces during the period of the award, any Care Leavers Relief in excess of this reduced liability will be an overpayment of Care Leavers Relief. The Council may recover this overpayment by debiting it from the Applicant's Council Tax account.

3.7 The Council's finances will allow for the reduction to be made (we have allocated £30,000 a year for this).

4.0 Policy Review

4.1 This policy can be reviewed at any stage by the Resident Support Scheme Strategic Management Board.

Foster Carers Relief Scheme

Policy for determining applications for Council Tax reduction under Section 13A (1) (c) of the Local Government Finance act 1992 in respect of Care Leavers and Foster Carers.

1. Background

- 1.1 The Council recognises that it needs to support residents who offer foster caring support to young people. Children who are looked after are extremely vulnerable and often have complex behavioural issues which mean that the role of the foster carer can at times be very demanding. In addition to the emotional resilience which is required by the role, there can also be financial challenges associated with caring for looked after children.
- 1.2 In order to support foster carers Council Members have decided that in cases where the person liable for Council Tax is a "Foster Carer", that their liability to pay Council Tax may be reduced by 25% after any other national reliefs and council tax support (where applicable) have been applied
- 1.3 Reducing Council Tax in these circumstances will hereafter be known as an award of Foster Carers Relief.
- 1.4 "Foster Carer" means a person who has been approved by the panel as a foster carer, or who has been granted temporary approval as a foster carer for a particular child or children.

2. Foster Carers Relief application process

- 2.1 (a) this can be accessed through the identification and nomination of a foster carer by the Council's Children's Services to the Council's Council Tax Service or;
- 2.1 (b) through the identification and nomination by any other public body or professional organisation that confirms that the Applicant is an approved foster carer.
- 2.2 (c) The award can be made for any period from 1st April 2018 where the foster carer is liable for Council Tax .

3.0 Eligibility Criteria

The following will be assessed when making a decision:

- 3.1 Whether the foster carer has applied for any national reliefs, exemptions or discounts they would be entitled to. These must be assessed before Foster Carers relief is awarded.
- 3.2 If the foster carer applied for any Council Tax Support whether they would be entitled. This should be assessed before Foster Carers relief is awarded.
- 3.3 Bath & North East Somerset Children's or Social Services or other public body or professional organisation have confirmed that the statutory conditions have been met to determine that the applicant is an approved foster carer.
- 3.4 Whether Bath & North East Somerset is the council tax billing authority to whom the foster carer is liable to make Council Tax payments.
- 3.5 The foster carer or carers must be employed by Bath and North East Somerset Council; and the foster carer is a current foster carer or has actually fostered a child in that tax year or the tax year immediately preceding the current tax year for which they are claiming.
- 3.6 If subsequent to an award the applicant's liability for council tax reduces during the period of the award, any Foster Carers Relief in excess of this reduced liability will be an overpayment of Foster Carers Relief. The Council may recover this overpayment by debiting it from the applicant's Council Tax account.
- 3.7 The Council's finances will allow for the reduction to be made (we have allocated £15,000 a year for this).
- 3.8 The maximum amount of relief that may be awarded will equate to a 25% reduction in Council Tax liability from the date that the applicant becomes an approved foster carer after any applicable single occupancy discounts have been applied. If the applicant receives Council Tax Support the amount of relief that can be awarded will be the remainder of the net Council Tax liability, subject to a maximum discount of 25%.

4.0 Policy Review

- 4.1 This policy can be reviewed at any stage by the Resident Support Scheme Strategic Management Board.