



Report of: Executive Member for Finance and Performance

Meeting of	Date	Ward
Executive	9 February 2017	All

The Council Tax Care Leavers Relief Scheme for 2017/18

1. Synopsis

- 1.1 To amend the Council Tax Welfare provisions within the Resident Support Scheme (RSS) and use the Council's power as a billing authority to reduce to nil the amount of council tax payable by young people leaving care as permitted by section 13A of the Local Government Finance Act 1992 from 1 April 2017.

2. Recommendations

- 2.1 To agree the amendments to the RSS scheme set out in Appendix 1 which create a class of council tax charge payer for the purposes of a reduction to their council tax to be known as "Care Leavers"
- 2.2 To agree that this class of charge payers will be awarded a local council tax discount, by virtue of an award of RSS that will reduce their council tax bill to nil.
- 2.3 To agree that this class of reduction will be applied in accordance with the Islington Care Leaver Relief Scheme which is contained in Appendix 2 of this report

3 Background

- 3.1 The Council is responding to 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.

However as the council has a parenting role in some circumstances that lasts until the care leaver is 24, for this reason and in order to keep the scheme administratively simpler to support and not to distinguish for the purposes of exclusion any sub-set of

care leaver, we propose to apply care leavers relief to every care leaver until their 25th birthday.

- 3.2 The Council agrees with the campaign's principal 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.
- 3.3 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 own children.
- 3.4 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.
- 3.5 The council accepts its role as a responsible corporate parent and wants to further support those young people who have left care to be able to live independently as adults. The proposed scheme will reduce to nil the amount of council tax a care leaver pays so that this council tax cannot become a problem debt for them.
- 3.6 Under section 13A of the Local Government Finance Act 1992 the council has a general discretionary power to reduce liability for council tax in relation to individual cases or class(es) of cases that it may determine where national discounts and exemptions cannot be applied.
- 3.7 This relief must be awarded by the Council in accordance with the discretionary council tax reduction powers as contained within the Local Government Finance Act 1992.
- 3.8 The Care Leaver Relief awarded by the Council will not be reimbursed by the Government but the costs will be shared with the GLA.
- 3.9 Care Leavers Relief will be available from the start of the 2017/2018 financial year.
- 3.10 LBI Finance and Resources and LBI Children's Services are working on processes that will make it as easy as possible for care leavers to access this relief. For young people in the borough leaving Islington's care, the process should be seamless and invisible, with Children's Services automatically registering care leavers with Finance for the relief. For those living in Islington but leaving another council's care, we shall endeavour to make the application process for the relief as simple, comprehensive and automatic as possible to maximise take-up.

4 Detail leading to our recommended Care Leaver Relief scheme

- 4.1 In order to adopt the Care Leaver Relief scheme, the Council is recommended to create a class of charge payer that describes the eligibility criteria and decide in each individual case to grant Care Leaver Relief.
- 4.2. The Council is empowered to determine the eligibility criteria for this relief.

- 4.3 The most cost-efficient way of determining the value of the Care Leaver Relief is to calculate how much council tax the care leaver still has to pay after any existing statutory discounts and Council Tax Support (CTS) has been taken into account.

5 Financial Implications

- 5.1 There are financial implications to awarding any discounts other than those currently available under the statutory legislation and the additional financial burden of Section 13A council tax reductions such as Care Leavers Relief has to be met through an increase in the general level of Council Tax for other payers or from the general fund.

- 5.2 In addition to this:

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

- 5.3 The total cost of the relief proposed cannot be determined precisely as the number of care leavers who would continue to reside in Islington cannot be accurately determined and neither can the value of the national discounts and exemptions or CTS they would be entitled to.

Taking into consideration these uncertainties this relief is expected to cost the council in the region of £28,000 a year, less the GLA share.

6 Equality Implications

- 6.1 The Council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The Council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The Council must have due regard to the need to tackle prejudice and promote understanding.
- 6.2 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 (Appendix 3), 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.
- 6.3 In accordance with our equality duty, this proposal will therefore result in more favourable treatment being applied to care leavers living in Islington, 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.
- 6.4 This new scheme reflects the Council's responsibilities as a corporate parent to assist financially disadvantaged care leavers during their early years of independence. The Council has considered whether its decision impacts on equality matters and concluded there are no significant equality concerns. In general the relief does not enhance or detract significantly from the offering that is already available, and so has no substantive adverse equality impacts.

- 6.5 The initial screening for a Resident Impact Assessment (RIA), including a review of the most recent statistics available about the demographics of looked after children (Appendix 3) was completed on 20 November 2016 and this did not identify any negative equality impacts for any protected characteristic or any human rights or safeguarding risks. For this reason a full RIA is not considered necessary. It is notable that a greater proportion of Islington's care leavers were of mixed or black ethnic origin at 51% compared to the average in England of 16% and so members of these groups are favourably impacted by the proposed scheme.

7 Legal Implications

- 7.1 The Council has discretion to reduce council tax under section 13A(1)(c) of the Local Government Finance Act 1992. A scheme which exempts care leavers who are living in Islington 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

8. Conclusion and Reason for Recommendations

- 8.1 By introducing the Care Leaver Relief scheme the Council is reducing the financial burden on care leavers within its area

Appendices:

Appendix 1: Schedule of amendments to be applied to the Resident Support Scheme (RSS)

Appendix 2: Care Leavers Relief Scheme Guidance

Appendix 3: Children looked after at 31 March 2015 by gender, age, category of need, and ethnic origin, England 2015

Final Report Clearance

Signed by



30 January 2017

Executive Member of Finance and Performance

Date

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Appendix 1: Schedule of amendments to be applied to the Resident Support Scheme (RSS)

[only the relevant paragraphs from the RSS are shown and the proposed amendments to these paragraphs are shown in italics]

13 Council Tax Welfare Provision

13.1 Under section 13A(1)(C) of the Local Government Finance Act 1992 the council has a general discretionary power to reduce liability for council tax in relation to individual cases or class(es) of cases that it may determine where national discounts and exemptions cannot be applied.

13.2 As a response to the Council's Council Tax Support Scheme a sum (currently £25K) has been set aside to provide welfare provision for council tax. The purpose of this will be predominantly to support those who have had a reduction in their council tax benefit as a result of Council Tax Support and are on a low income. The intention is that it will be provided to residents at risk who are prepared to work with the council to find a way forward.

13.3 As a response to council members' recognition that there is an increased risk of significant debt associated with young people leaving the care system, a class of cases containing all care leavers living in Islington who are younger than 25 has been created. The intention is that no care leaver younger than 25 will have to pay council tax.

13.4 The Council Tax Section 13A(1)(C) policy document is given in Appendix 3

Extract from Appendix 4 of the Resident Support Scheme - Council Tax Welfare Provision

1.0 Background

1.1 Under Section 13A(1)(C) 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. It says:

1. 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
2. The power under subsection 1) above includes the power to reduce an amount to nil
3. 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.

1.2 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.

1.3 In addition to this:

- The granting of Section 13A discounts would reduce income from Council Tax;
- A wider entitlement to reduced liability would require additional administrative resources to assess requests;
- The Council Tax Support scheme exists to ensure that those on low incomes receive financial assistance with their Council Tax

1.4 As a consequence of this, the policy adopts a principle that the power to reduce under this section should only be applied in cases of exceptional personal circumstances or, if a person is in receipt of Council Tax Support only, in cases of exceptional hardship.

1.5 This policy covers the process of making a decision for individual cases *or any class of cases*. Only the Council Members can agree to reduce council tax for a class or classes. Should a group submit an application for reduction and it is not treated as a class, the decision will set out why it has been treated as an individual case or a group application consisting of individual cases.

1.6 Reducing Council Tax in these circumstances will hereafter be known as an award of council tax welfare provision.

2.0 Classes of reduction

2.1 *It is considered that the Council has 1 class of reduction in its RSS scheme. The class below identifies the persons that the reduction will cover.*

Class 1 also known as “Care Leavers Relief”; a person or persons younger than 25 years of age who were in care. *With respect to any council tax liability in Islington, arising on or after 1st April 2017, any person in this class will have the amount of council tax they have to pay reduced to nil.*

3.0 Scheme application process

3.1 This can be accessed through the Resident Support Scheme. The Resident Support Scheme sets out how the council tax welfare provision can be applied for and the universal criteria that will need to be in place for an award to be made.

3.2 *For claimants entitled to the reduction in class 1, where it is possible for the Council to award RSS without application it shall do so. For this provision, identification by the Council that a person would be entitled to this reduction by virtue of relevant detail already obtained by the Council, may be enough to constitute a claim and to enable the award of a reduction. If a reduction cannot be awarded by the Council automatically under class 1, it shall be the responsibility of the person or persons with a council tax liability to claim this using the application process prescribed on the Islington Council website, and this application shall be required to be received in the council tax year for which the reduction applies.*

- 3.3 The application should relate to the current council tax year, unless the liable person has just received an account following late valuation for a previous year(s).
- 3.4 Any award given to an individual case *or class of cases may* finish at the end of the council tax year that the application relates to. A further application *may* be needed for future years.

London Borough of Islington

Care Leavers Relief Scheme



Policy for determining applications for council tax reduction under Section 13A of the Local Government Finance Act 1992 in respect of Care Leavers Relief.

1.0 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 Islington 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. It says:

1. 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

2. The power under subsection 1) above includes the power to reduce an amount to nil

3. 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 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 created a new class of council tax charge payer known as 'Care Leavers' and have decided to reduce the council tax bill for Care Leavers 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.

2.0 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 2017 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 or by March 31st of the financial year whichever date comes first. Further applications may be needed for additional periods of council tax liability that occur after the end of the financial year determined above but before the care leaver's 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 they would be entitled to. These must be assessed before Carer Leavers relief is awarded.

3.2 Whether the care leaver applied for any Council Tax Support they would be entitled to. This should be assessed before Carer Leavers relief is awarded.

3.3 The date of the day before the care leaver's 25th birthday determines the last day of the period of the award

3.4 Islington Council's Children's or Social Services or other public body or professional organisation have confirmed that the care leaver was in the care (being 'looked after').

3.5 Whether Islington 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 charge payer'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 any legal means at its disposal including offsetting this amount against any future periods of Care Leavers Relief or by adding the excess amount to any further council tax liability demanded for subsequent periods.

The Council's finances will allow for the reduction to be made (we have allocated £28,000 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.

Appendix 3: Children looked after at 31 March 2015 by gender, age, category of need, and ethnic origin, England 2015 (extracted from House of Commons Library briefing paper no. 04470, 5th October 2015) and **Islington December 2016**

		England Oct 2015		Islington as at Dec 2016	
		Number (rounded)	%ages	Number	%ages
All children looked after		69,540		352	
Gender	Male	38,530	55%	194	55%
	Female	31,010	45%	158	45%
Age	Under 1	3,710	5%	14	4%
	1-4	10,120	15%	20	6%
	5-9	14,310	21%	38	11%
	10-15	26,140	38%	135	38%
	16 and over	15,270	22%	145	41%
Category of Need	Abuse or neglect	42,710	61%	180	51%
	Child's disability	2,250	3%	4	1%
	Parent's illness or disability	2,380	3%	9	3%
	Family in acute stress	6,310	9%	27	8%
	Family dysfunction	11,000	16%	53	15%
	Socially unacceptable behaviour	1,130	2%	11	3%
	Low income	140	0%	0	0%
	Absent parenting	3,630	5%	68	19%
Ethnic origin	White	53,600	77%	157	45%
	Mixed	6,170	9%	72	20%
	Asian or Asian British	2,660	4%	8	2%
	Black or Black British	4,920	7%	110	31%
	Other Ethnic groups	1,700	2%	4	1%
	Unknown	500	1%	1	0%