



25th January 2018

To the Chair and Members of Council

Proposed new Council Tax Exemption for Care Leavers

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Mayor Ros Jones	All	Yes

EXECUTIVE SUMMARY

1. This report seeks approval to provide 100% exemption from the payment of Council Tax from **1 April 2018** to care leavers who:
 - a. have left the care of Doncaster Council;
 - b. are resident and otherwise liable to pay Council Tax in Doncaster for a property they occupy as their sole or main residence; and
 - c. are under 25 years of age.
2. It is further proposed that where a care leaver who meets the above criteria is jointly and severally liable for Council Tax with a person or persons who is/are not a care leaver, the exemption will still apply to the full Council Tax charge for the property. This will ensure the care leaver is not otherwise pursued for collection of any Council Tax unpaid by the other liable person(s).
3. Information provided in May 2017 by Doncaster Children's Services Trust (DCST) shows there are 255 DMBC care leavers living in Doncaster. **66** of these care leavers are liable for Council Tax and, under these proposals, would see their liability reduced to zero from 1 April 2018.
4. Based on 2017/18 Council Tax charges for a band A property, the estimated annual cost of exempting the **66** care leavers from Council Tax is **£55k**. However, it is expected that this proposal will result in a reduction in emergency payments made to care leavers in crisis as well as further reducing the dependency of these young people on other services.
5. Council Tax legislation does not provide a specific discount or reduction for care leavers. However, under Section 13A of the Local Government Finance Act 1992, the Council has the power to reduce liability for Council Tax in relation to individual cases or class(es) of cases where national discounts and exemptions cannot be applied.

6. The proposed scheme for Doncaster Council for exempting care leavers from the payment of Council Tax is at **Appendix 1**.

EXEMPT REPORT

7. This report is not exempt.

RECOMMENDATIONS

8. That Doncaster Council:
 - Approve the proposed Care Leavers Council Tax Exemption Scheme at Appendix 1 to take effect from 1 April 2018;
 - Approve the proposal to allow backdated applications to the start of the financial year in which the application is made (but no earlier than 1 April 2018);
 - Approve the proposal that the Council Tax exemption will not apply to empty properties as this could act as a disincentive for care leavers to give the appropriate notice to landlords and increase the number of abandoned properties.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

9. Analysis of Council Tax records and data supplied by DCST has identified **66** care leavers who would be eligible for 100% exemption from the payment of Council Tax. The proposed scheme will support these care leavers until they reach the age of 25 and future young people leaving the care of Doncaster Council.
10. In addition to the eligible care leavers, the citizens of Doncaster will benefit generally from the scheme as the exemption will support one of the most vulnerable groups in our community. By helping to alleviate financial pressures which may contribute to poverty and deprivation amongst this group, improved outcomes should be achieved in terms of the contribution care leavers make to the community.

BACKGROUND

11. Corporate parenting is a statutory function 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 good parent would want for their own children.
12. Children and young people who are looked after by the 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 has the responsibility to keep them safe, make sure their experiences in care are positive and improve their on-going life chances.

13. One of the key priorities of the corporate parenting strategy is to support young people in the move to adult life. The Council's policy is that cared for young people only move into independent living when they are ready to do so and are well supported. However, many care leavers choose to move into independent accommodation often at an earlier age than their peers.
14. A report published in 2015 by The Children's Society 'The Wolf at the Door' highlighted the vulnerability of care leavers to financial pressures, in particular, the difficulties encountered when entering independent accommodation for the first time. The report suggested that care leavers are a particularly vulnerable group for Council Tax debt and made a number of recommendations, including making care leavers eligible for Council Tax exemptions.
15. The Government's care leavers' strategy – 'Keep on Caring' encourages Councils to do what any reasonable parent would do to help their children get the best start in adult life. In addition, the Children and Families Act encourages Councils to do all they can to support care leavers, and this has been further enhanced by Section 2 of the Children and Social Work Act which places a statutory duty on Councils to make a clear offer to care leavers, and extends the corporate parenting responsibilities for care leavers from age 21 to age 25.
16. The proposal is exclusive to young people leaving the care of Doncaster Council who are living in Doncaster to allow for ease of administration (having regard to costs) and greater accuracy of data. In shaping these proposals, the Council consulted four other local authorities who currently exempt care leavers from the payment of Council Tax. Three out of the four authorities only award the exemption to young people leaving the care of their own authority.
17. Care leavers will be required to apply for the Council Tax exemption; this step is considered prudent to ensure they take responsibility for notifying the Council if they change address. An online application process is being developed and care leavers will be supported to complete this as necessary including at the Civic Office One Stop Shop. Verbal applications made over the telephone will also be accepted. Confirmation of care leaver status will be confirmed with DCST for all applications.
18. The care leavers' Council Tax exemption will be applied after all other statutory discounts and exemptions have been applied. For example, if a care leaver is entitled to a Single-Person Discount, this 25% statutory discount will be awarded and the care leavers' exemption will apply to the remaining 75% liability.
19. It is proposed that the exemption does not apply to empty properties as this could act as a disincentive for care leavers to give the appropriate notice to landlords and increase the number of abandoned properties.

OPTIONS CONSIDERED

20. **Option 1: Do Nothing**

There is no statutory requirement to exempt care leavers from the payment of Council Tax and the Council could choose to continue to charge Council Tax to this group. Some care leavers may be eligible for statutory Council Tax discounts and exemptions based on their circumstances, and some may be eligible for Council Tax Support. However, the claiming process and evidence requirements for these alternative types of support are much more onerous, and the likelihood is that most care leavers would still have some or all Council Tax to pay. This is evident from analysis of DCST care leavers' data and corresponding Council Tax records. For these reasons, and having regard to the Council's corporate parenting responsibilities, this option is not recommended.

Option 2: Award a partial Council Tax exemption to eligible care leavers

The Council could choose to allow a partial Council Tax exemption to care leavers, for example, 50%. However, this would still leave many care leavers vulnerable to Council Tax debt and the resulting potential enforcement action reported by The Children's Society as harmful to these young people. This option is not recommended.

Option 3: Award a full 100% Council Tax exemption to eligible care leavers

By awarding a 100% exemption from the payment of Council Tax to eligible care leavers, the Council would be providing much needed support to these vulnerable young people as they move from care into independent living. The proposed criteria for this exemption is set out in Appendix 1. The Council would also be supporting the Government's 'Keep on Caring' strategy and would be demonstrating compliance to Section 2 of the Children and Social Work Act which places a statutory duty on Councils to make a clear offer to care leavers, and extends the corporate parenting responsibilities for care leavers from age 21 to age 25. **This is the recommended option.**

REASONS FOR RECOMMENDED OPTION

21. For the reasons outlined above, **Option 3** is the recommended option. The proposal to exempt care leavers from the payment of Council Tax is aligned to the Council's policy to support our care leavers, and is part of an overall package of support offered to prepare our care leavers for independence and support them in the transition to adulthood. This option is also aligned to the Council's corporate parenting role, the Government's care leavers' strategy and Section 2 of the Children and Social Work Act which places a statutory duty on Councils to make a clear offer to care leavers and extends the corporate parenting responsibilities for care leavers from age 21 to age 25.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

	Outcomes	Implications
	<p>All people in Doncaster benefit from a thriving and resilient economy.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Creating Jobs and Housing</i> • <i>Mayoral Priority: Be a strong voice for our veterans</i> • <i>Mayoral Priority: Protecting Doncaster's vital services</i> 	
	<p>People live safe, healthy, active and independent lives.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Safeguarding our Communities</i> • <i>Mayoral Priority: Bringing down the cost of living</i> 	<p>Exempting eligible care leavers from the payment of Council Tax will assist them during their transition from care to independent living. It will alleviate the financial pressures encountered by this vulnerable group of young people.</p>
	<p>People in Doncaster benefit from a high quality built and natural environment.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Creating Jobs and Housing</i> • <i>Mayoral Priority: Safeguarding our Communities</i> • <i>Mayoral Priority: Bringing down the cost of living</i> 	
	<p>All families thrive.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Protecting Doncaster's vital services</i> 	<p>Exempting eligible care leavers from the payment of Council Tax will help their move from care to independence by reducing the pressures encountered when setting up payments and managing their budgets for the first time. It will also help to reduce care leavers dependence on other Council services.</p>
	<p>Council services are modern and value for money.</p>	
	<p>Working with our partners we will provide strong leadership and governance.</p>	

RISKS AND ASSUMPTIONS

22. There is a risk that eligible care leavers will not apply for the exemption. This risk will be managed by close working with DCST to ensure care leavers are made aware of the scheme as they leave care and are supported to make an application. Evidence requirements will be minimized and confirmation of care leaver status will be obtained from DCST in order to award the exemption. The application form will be designed in collaboration with DCST to ensure this is a simple and straight forward process. The scheme will be publicized on the Council's website and in relevant Council Tax literature.

LEGAL IMPLICATIONS

23. There are a number of pieces of legislation and statutory guidance that set out the role of the local authority in respect of cared for children and care leavers. There are statutory obligations and guidance for the role of the local authority as the corporate parent in the Children's Act 1989 and 2004, and the Children and Young People Act 2008.
24. Under Section 13A of the Local Government Finance Act 1992, the Council has the power to reduce liability for Council Tax in relation to particular cases or by determining a class of cases that it may determine and where national discounts and exemptions cannot be applied. Section 13A, (1) states: "*Where a person is liable to pay Council Tax in respect of any chargeable dwelling and any 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*". The discretion in Section 13A includes the power to reduce the Council Tax liability to zero.
25. The Council may only use its discretion under Section 13A if it would be reasonable to do so having regard to the interests of Council Tax payers in its area. It is considered to be in the interests of Council Tax payers to award this exemption as it will support one of the most vulnerable groups in our community. By helping to alleviate financial pressures which may contribute to poverty and deprivation amongst this group, improved outcomes should be achieved in terms of care leavers' contribution to the community. The exemption may also help reduce care leavers reliance on other Council services.
26. The Council has no legal obligation to take this action but may do so if it wishes.

FINANCIAL IMPLICATIONS

27. Based on information provided in May 2017 by DCST, there are 255 DMBC care leavers living in Doncaster. **66** of these care leavers are liable for Council Tax and, under these proposals, would see their liability reduced to zero from 1 April 2018.

28. Based on 2017/18 Council Tax charges for a band A property, the estimated annual reduction in income from exempting the **66** care leavers from Council Tax is circa **£55k** after all other statutory discounts and exemptions have been applied for 2017/18 (this value will vary annually depending on the number of eligible care leavers). This loss of income will impact on the Collection Fund whose surplus will be reduced by this decision but can accommodate the reduction with minimal risk for this value. The costs may be offset by a reduction in emergency payments made to care leavers in crisis. These types of budgets are held by Doncaster Children's Services Trust or Adults, Health and Wellbeing and any reduction in costs will help to reduce the current overspends in those services.

HUMAN RESOURCES IMPLICATIONS

29. There are no HR implications associated with the scheme. Due to the relatively low number of care leavers eligible for the Council Tax exemption, it is anticipated that the scheme can be administered within existing resources.

TECHNOLOGY IMPLICATIONS

30. The Northgate Council Tax system has the functionality to award the proposed exemption to care leavers. It is not anticipated that any software changes or input from ICT will be required.

EQUALITY IMPLICATIONS

31. The Public Sector Equality Duty (PSED) was created by The Equality Act 2010 and replaces the race, disability and gender equality duties. Compliance with the PSED is a legal obligation. The duty ensures Councils, and other public bodies, consider how different people will be affected by their activities and services. The Equality duty covers nine protected characteristics: age; disability; race; sex; sexual orientation; gender reassignment; pregnancy and maternity; religion or belief; and marriage and civil partnerships.
32. The PSED consists of a **general duty** with three main aims (described below) and specific duties designed to help public bodies meet the general duty. The **general duty** requires public bodies to have **due regard** to the need to:
- Eliminate discrimination, harassment and victimization;
 - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard means consciously thinking about the three aims of the general duty as part of the decision making process.

33. The proposed Care Leavers Council Tax Exemption Scheme is based on the

age of the care leaver and is also specific to young people leaving the care of Doncaster Council and living in Doncaster. A Due Regard Statement (DRS) is the tool for capturing the evidence to demonstrate that due regard has been shown when the Council plans and delivers its functions. A DRS in relation to the proposed Care Leavers Council Tax Exemption Scheme is at **Appendix 2**.

CONSULTATION

34. The proposed Care Leavers Council Tax Exemption Scheme takes into account the findings of The Children's Society report 'The Wolf at the Door'. The Mayor and Executive Board and DCST have been consulted on the proposed scheme along with four other local authorities that have implemented similar schemes (Cheshire East, Wolverhampton, Oldham and Rochdale). Some of the main design principles of these other authority schemes have been incorporated into the proposed scheme for Doncaster Council. For example, three out of the four authorities only award the exemption to young people leaving the care of their own authority.
35. Consultation has also taken place with Rotherham, Barnsley and Sheffield Councils to establish their plans for implementing a Council Tax exemption scheme for care leavers. Rotherham are working towards implementing a scheme from April 2018. Barnsley and Sheffield Councils have no current plans to introduce a scheme.

BACKGROUND PAPERS

36. There are no background papers for this report.

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DONCASTER METROPOLITAN BOROUGH COUNCIL

CARE LEAVERS COUNCIL TAX EXEMPTION SCHEME

1. Introduction and Background

In accordance with the Children and Social Work Act 2017, which extends local authorities responsibilities to care leavers up to the age of 25, Doncaster Council wishes to extend its commitment and support to young people leaving its care and entering their initial years of independence.

Under Section 13A of the Local Government Finance Act 1992, local authorities have discretionary powers to reduce the Council Tax liability for individuals or prescribed groups, where the existing statutory discounts and exemptions are not applicable.

This scheme outlines the Council's use of the discretionary powers provided under Section 13A of the Local Government Finance Act 1992 to assist young people leaving the care of Doncaster Council.

2. Legislation

The law governing the granting of discretionary Council Tax discounts and exemptions is found in Section 13A of the Local Government Finance Act 1992.

This legislation gives local authorities discretionary powers to reduce the amount of Council Tax payable "where a person is liable to pay Council Tax in respect of any chargeable dwelling and any 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 includes the power to reduce an amount payable to nil. This power can be exercised in relation to a particular case or by determining a class of case in which liability is to be reduced.

3. Purpose and Principles of the Scheme

The purpose of this scheme is to specify how the Council will operate its discretionary powers under the Local Government Finance Act 1992, and to indicate the criteria which must be met when determining if the exemption can be awarded.

The Council intends to provide on-going support to care leavers under the age of 25, by reducing the financial burden of Council Tax liability during their initial years of independence. We will deal with each application for this exemption on its merits and treat all individuals that apply for the exemption equally and fairly.

4. Consultation

In designing this scheme, the Council has consulted with and/or taken into account contributions from:

- The Children's Society
- Doncaster Children's Services Trust

- Neighbouring and other authorities who have implemented or are considering implementing similar schemes.

5. Qualifying criteria

The scheme will be effective from **1st April 2018**. No award will be made prior to this date.

The exemption will only apply to an account for a property at which the care leaver is liable as a resident under Section 6 of the Local Government Finance Act 1992.

To qualify for the exemption:

- a) The individual must be a liable person for Council Tax and resident at the property within the Doncaster area giving rise to that liability; and
- b) The individual must be under the age of 25; and
- c) Doncaster Council must have been the corporate parent of the individual at the time they left care.

6. Making an application

Doncaster Council will accept applications made verbally, in writing or using the provided application form. We will issue application forms on request or in circumstances where we consider an individual may be entitled to the exemption. An electronic version of the application form will also be made available on the Council Tax pages of the Council's website.

We will actively encourage individuals to apply for this exemption through relevant literature and on the Council's website.

An application should be completed by the care leaver or a person authorised to act on their behalf.

Doncaster Council will award this exemption when it is satisfied that the care leaver has met the qualifying criteria as set out in this scheme document.

7. How much will we award?

Where the qualifying care leaver is determined to be liable for Council Tax, a 100% exemption will be granted on the Council Tax account. If a qualifying individual is joint and severally liable with another person for Council Tax, a 100% exemption will still be awarded for the property. If the care leaver's Council Tax liability is increased or decreased at any time while entitled to this reduction, the exemption will be amended so that any award does not exceed the Council Tax liability.

The care leavers' Council Tax exemption will be applied after all other statutory discounts and exemptions have been applied. For example, if a care leaver is entitled to Single-Person Discount, this 25% statutory discount will be awarded and the care leavers' exemption will apply to the remaining 75% liability.

8. Who pays for the exemption granted?

The full cost of the award of this exemption is met locally by Doncaster Council's Taxpayers.

9. Period of Award

The scheme will be effective from 1st April 2018. No award will be made prior to this date.

The award of the exemption can be backdated to 1st April of the financial year in which the application is received. If liability for Council Tax commences after the 1st April of that year, the exemption will be awarded from the start date of occupation.

The exemption will not be backdated into previous financial years.

Where awarded, the exemption will end if/when:

- a) The care leaver ceases to be liable for Council Tax payable to Doncaster Council.
- b) The care leaver ceases to be resident in the property giving rise to their liability.
- c) The care leaver reaches the age of 25.

If a qualifying care leaver leaves the Doncaster area and returns at a later date, they can re-apply for this exemption, provided that the qualifying criteria is still met.

10. How will payment be made?

Any award will be made towards the care leaver's Council Tax liability. This will be made directly to the Council Tax account to which the exemption applies.

11. Notifications

The Council will inform the care leaver applying in writing of the outcome of their application. This may be a demand notice showing the exemption has been applied to their Council Tax account.

Where the application is not successful, the care leaver applying will be given the reasons why they have not been awarded this exemption.

12. Reviews and overpayments

The Council can review the entitlement to this exemption at any time. Any award found to be incorrect will be cancelled from the Council Tax account, and any overpayment will be collected from the liable person(s) through their Council Tax account.

13. Right of Appeal

This exemption is awarded under Section 13A of the Local Government Finance Act 1992. In circumstances where an individual is unhappy with the Council's decision, there is a right of appeal under Section 16 of the Local Government Finance Act 1992.

Any appeal must be made in writing to Doncaster Council, or using the Council's online appeal form.

Any appeal will be dealt with in accordance with the Council Tax department's existing appeals procedure. The Council will deal with any appeal within two months and will inform the appellant of their decision.

If the appellant remains unhappy with the outcome of their appeal to Doncaster Council, they can make a further appeal to the Independent Valuation Tribunal within 2 months of being notified of the Council's decision.

14. Publicity

The Council will include information about this scheme in relevant Council Tax leaflets and literature and on the relevant Council Tax pages of the Council's website.

15. Fraud

The Council is committed to the fight against fraud in all its forms. Any individual who tries to fraudulently apply for this exemption by falsely declaring their circumstances or providing a false statement or evidence in support of their application, may have committed an offence under the Theft Act 1968. Where we suspect that such a fraud has occurred, the matter will be investigated. This may lead to criminal proceedings being instigated.

16. Review of the scheme

The scheme will be reviewed periodically, taking into account Council policies and priorities and any changes in legislation.