

Agenda Item 15

(Report to be considered by the Cabinet on 5th February 2019)

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Date	5 February 2019

Wards affected	All	Key Decision	Yes
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Subject	Council Tax for Care Leavers
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RECOMMENDATIONS

1. That Cabinet considers the Notice of Motion and recommends a way forward to Council.
2. That if the proposal contained within the motion is recommended to Council for approval, that Council agrees the rules for implementing the scheme be applied as set out in paragraph 3.1.

CORPORATE PRIORITIES

COMMUNITY WELLBEING: active communities and support for those who need it

The Cabinet has authority to determine the recommendations

1.0 Background

1.1 At its meeting on 4 December 2018, Council agreed the following Motion:

“Care leavers have had their childhoods punctuated by instability and trauma, they leave home earlier and have less support than other young people. As a result, care leavers have some of the worst life chances in the country.

A 2016 report by the Children's Society found that when care leavers move into independent accommodation, they find managing their own finances extremely challenging. With no family to support them and insufficient financial education, care leavers are falling into debt and financial difficulty. The Children's Society recommends that care leavers should be taken out of Council Tax until they turn

25.

The Children and Social Work Act 2017 places corporate parenting responsibilities on borough and district councils for the first time, requiring them to have regard to children in care and care leavers when carrying out their functions.

To ensure that transition from care to adult life is as smooth as possible and to mitigate the chances of care leavers falling into debt as they begin to manage their own finances, this Council agrees to give serious and proper consideration to measures whereby care leavers under 25 living in Mole Valley District would not be charged any Council Tax from April 2019.

This Council also agrees to continue to look at ways of supporting care leavers further to ensure they fulfil their potential.”

1.2 This report provides Cabinet with some further background to enable it to make a recommendation about whether it advises Council to introduce such a scheme with effect from 1 April 2019.

1.3 There are currently 13 district and borough councils that have introduced such a scheme, including one in Surrey (Woking). (Total list is: Bassetlaw, Broadland, Broxtowe, East Lindsay, Gedling, Mendip, Norwich, Rushcliffe, South Holland, South Kesteven, Taunton Deane, Woking, Wychavon).

1.4 Woking advise that there have been seven individuals who have benefited from the scheme since it was introduced in April 2018.

2 Legal Position

2.1 Under Section 13A(1)(C) of the Local Government Finance Act 1992, local authorities have the discretionary power to reduce (or further reduce) the liability for Council Tax for a chargeable dwelling for a specified period of time in any case as the local authority for the area in which the dwelling is situated thinks fit. This discretionary power allows an authority to reduce the Council Tax liability to zero. Subsection (7) confirms that the power may be exercised in relation to a particular case or by determining a class of cases.

2.2 There are already a number of opportunities for people to pay lower amounts of Council Tax.

- Single Person Discount – all single people can receive a 25% discount
- Claim help through the Council Tax Support Scheme which could meet up to 100% of the liability, depending on the circumstances. There are currently 80 recipients in Mole Valley aged 25 and below.
- A student discount is offered to households where everyone living there is a full time student

2.3 Whilst all of these would be available to eligible care leavers, they do require the individual to pay some level of Council Tax (unless they are granted a 100% reduction from the Council Tax Support Scheme). S13A is not part of the benefits scheme.

2.4 MVDC would be responsible for meeting the entire cost of a care leavers scheme.

Practical Implementation

3.1 A scheme could be introduced with effect from 1 April 2019. In terms of implementation of the scheme, consideration would need to be given to properties which are not solely occupied by the care leaver. If Council agreed to introduce a scheme it is recommended that the following rules are applied:

- If the liable person occupies the chargeable property solely and is a care leaver then after any statutory discounts have been applied the remaining charge is remitted using the powers under Section 13A. (NB: Where a Council Tax discount is applied, that discount is reflected in the monies paid to Surrey Police, Surrey County Council and Parish Councils).
- If the property is occupied by 2 adults, one of whom is a care leaver, then the care leaver is treated as disregarded (i.e. as though not there) which would normally result in a 25% discount on the charge.
- If the property is occupied by more than 2 adults, one of whom is a care leaver, then the care leaver is treated as disregarded (i.e. as though not there) which would have no affect on reducing the charge as there are still 2 non discounted adults.

3.2 There are currently 11 care leavers under the age of 25 living in Mole Valley who are currently liable for Council Tax. This number will fluctuate over time as the profile of care leavers and their individual circumstances change. Surrey County Council provides the Housing Team with regular updates on the housing needs and progress of care leavers, which means that it will be possible to monitor demand.

4.0 Financial Implications

MVDC would be fully responsible for meeting the cost of the scheme and therefore there would be a financial impact on the authority if there are any claimants. Based on the current arrangements for care leavers living in Mole Valley (as at December 2018) the financial impact on Mole Valley District Council would be around £15,000 (based on Band B Council Tax, on the assumption that care leavers are more likely to live in lower cost accommodation).

5.0 Legal Implications

The legal implications are set out in paragraph 2.1.

6.0 OPTIONS

6.1 Council has three options:

- Introduce the scheme as proposed in the motion
- Introduce a variance on the scheme proposed (such as a Council tax discount, but not a 100% discount)
- To not introduce a scheme, and make no changes to the current arrangements

7.0 CORPORATE IMPLICATIONS

Monitoring Officer commentary

The Monitoring Officer is satisfied that the relevant legal implications as set out above have been taken into consideration.

S151 Officer commentary

The cost of the scheme would need to be fully met by the Council.

Risk Implications

There are no corporate risks to MVDC as a consequence of the Motion proposed. It is important that the scheme is properly promoted and communicated, so that care leavers are aware of the scheme and how to apply. A communications plan would be developed to enable this, which would be implemented with colleagues from Surrey County Council.

If the motion is not agreed, there would be no change to the current service. There would be no changes in terms of a negative impact, although there could potentially be a minor reputational risk to the authority.

Equalities Implications

Age is a protected characteristic under the Equality Act 2010 and this scheme would have a positive impact on care leavers aged under 25.

Employment Issues

None

Consultation

None

Communications

If Council agrees to introduce a scheme, a communications plan will be developed to ensure that eligible care leavers are aware of the scheme.

BACKGROUND PAPERS - None