

North Tyneside Council

Report to Cabinet Member for Finance & Resources

Date: 1 March 2018

ITEM

Title: Council Tax
discretionary discount:
Children leaving care

Portfolio(s): Finance and Resources

Cabinet Member : Councillor Ray
Glindon

Report from Service Area
Finance

Responsible Officer: Janice Gillespie, Head of Finance Tel: (0191) 643 5701

Wards affected: All

PART 1

1.1 Executive Summary:

The purpose of this report is to provide the Cabinet Member for Finance with details of the proposed Council Tax discount to be awarded to children leaving care and to seek his approval under his delegated powers to approve the award of such Council Tax discounts. The discount is paid under the discretionary powers set out in Section 13A (1)(c) of the Local Government Finance Act 1992.

1.2 Recommendation(s):

It is recommended that the Cabinet Member for Finance:

- (a) note the provisions within legislation and their delegated authority to award reductions under Section 13A (1)(c) of the Local Government Finance Act 1992
- (b) note the approach from the Children's Commissioner for England to all Local Authority Chief Executive Officers asking for their consideration to exempt care leavers from paying Council Tax until their 25th birthday.
- (c) Confirms their approval to award such reductions and to instruct the Head of Finance to pay out the Council Tax relief where applicable.

1.3 Forward plan:

- 1.3.1 Twenty eight days notice of this report has been given and it first appeared on the forward plan that was published on 29 January 2018.

1.4 Council plan and policy framework

- 1.4.1 This report relates directly to the priorities identified in the Council Plan with regard to being cared for, safeguarded and healthy. It also links to the North Tyneside Outcome Plan providing additional support to vulnerable residents.

1.5 Information

- 1.5.1 In July 2016, the Department for Education published “Keep on Caring” a refreshed cross-government care leaver strategy. It focussed on embedding a culture of corporate parenting across all parts of the local authority, not just the care leaver team.
- 1.5.2 In December 2016 the Department for Communities and Local Government (as it then was) issued a Council Tax information letter to Chief Finance Officers reminding local authorities that under the Local Government Finance Act 1992 there is flexibility to support vulnerable groups to help manage their Council Tax liabilities. This could include considering giving exemptions or discounts to care leavers.
- 1.5.3 In June 2017 Anne Longfield, the Children’s Commissioner for England, wrote to Executive Officers at each local authority asking if they would consider exempting care leavers from paying Council Tax up to the age of 25.
- 1.5.4 Officers from the Finance Team have been assessing the response to the above requests at a local, regional and national level. The majority of responders have introduced or are proposing introducing a 100% discount for care leavers up to the age of 25.
- 1.5.5 Work has been carried out with the Leaving Care Team and an exercise undertaken to consider the circumstances of each of the residents in the leaving care programme, to ascertain how many are resident in properties in North Tyneside where they are the responsible person for paying Council Tax.
- 1.5.6 The data identified that there are currently 117 persons being supported after leaving care, 64 of which are still in further education and training, 12 now in higher education and 41 currently not in employment, education or training.
- 1.5.7 Having checked each of the addresses against the Council Tax database of the 117 persons only 30 are resident in a property in North Tyneside for which they incur a Council Tax liability. Many of these 30 residents are already supported at a cost to the Authority through the Council Tax Support Scheme. Others are already entitled to a full Council Tax exemption as they are full time students and reside alone.

Approximate Costs

- 1.5.8 Having checked each of the property addresses in North Tyneside, after taking into consideration the current cost of Council Tax exemptions, discount and Local Council Tax Support, the additional net cost to the Council for the financial year 2018/19 to provide 100% discount to each of the care leavers who have Council Tax liability is £6,000.
- 1.5.9 The leaving care age of continued support has recently been increased from 21 to 25. So no persons will drop out of this calculation (due to age) for the first 4 years of the scheme. The Leaving Care Team has confirmed that approximately 30 young persons will cease to receive care placement each year and join the leaving care numbers. On this basis the net cost of the scheme will increase by approximately £1,500 per year in each of the next four years.

1.6 Decision Options

- 1.6.1 The following options are available to the Cabinet Member for Finance

Option 1

Confirm their approval to award such reductions and to instruct the Head of Finance to pay out the Council Tax relief where applicable.

Option 2

Not to confirm their approval to award such reductions.

Option 1 is the recommended option

1.7 Reasons for recommended option:

Option 1 enables the Authority to support our care leavers for a period of time, whilst they become used to managing finances and prevent them from accruing arrears. It will provide support at a difficult transition period of the young adult leaving care.

1.8 Appendices:

None

1.9 Contact officers:

Janice Gillespie – Head of Finance, Tel. (0191) 6435701
Andrew Scott – Senior Client Manager Revenues, Benefits and Customer Services,
Tel. (0191) 643 7150

1.10 Background information:

The following background papers/information have been used in the compilation of this report and are available at the officer of the author:

- Letter from Children's Commissioner
- Local Government Finance Act 1992
- North Tyneside Council Discretionary Local Taxation Policy 2013

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1. Finance and Other Resources

- 2.1.1 The estimated cost of the scheme are set out at 1.5.8 and 1.5.9 and can be contained within existing budgets.

2.2 Legal

The Cabinet Member for Finance has delegated authority to make decisions on the award of Council Tax discounts under Section 13A (1)(c) of the Local Government Finance Act 1992.

Reductions to Council Tax using the discretionary powers in Section 13A (1)(c) of the Local Government Finance Act 1992 is a Cabinet Function because it is not a function specified in Section 67 of the 1992 Act that can only be discharged by Council.

2.3 Consultation/community engagement

- 2.3.1 The Looked After Children and Leaving Care Team have been fully involved in discussions. At a national level the Children's Commissioner, Action for Children and Barnardos are promoting Councils to adopt this scheme. Consultation with the 12 North East Councils has taken place to encourage a consistent approach across the region.

2.4 Human rights

There are no human rights implications directly arising from this report.

2.5 Equalities and diversity

- 2.5.1 This additional discount is being made available to all young persons leaving care who have a Council Tax liability in North Tyneside; it does not impact on any other protected characteristics.

2.6 Risk management

- 2.6.1 There are no risks arising from this report.

2.7 Crime and disorder

There are no crime and disorder implications directly arising from this report.

2.8 Environment and sustainability

There are no environmental and sustainability implications directly arising from this report.

PART 3 - SIGN OFF

- Deputy Chief Executive ☒
- Head(s) of Service ☒
- Mayor/Cabinet Member(s) ☒
- Chief Finance Officer ☒
- Monitoring Officer ☒
- Head of Corporate Strategy ☒