

**CONSIDERATION OF EXPEMPTION FROM COUNCIL TAX FOR CARE LEAVERS**

**To: Children and Young People Committee**

**Meeting Date: 11<sup>th</sup> September 2018**

**From: Executive Director People and Communities.**

**Electoral division(s): All.**

**Forward Plan ref: n/a**                      **Key decision: No**

**Purpose: To provide the Committee with information to enable Members to consider whether adopting a scheme whereby care leavers who are the responsibility of Cambridgeshire County Council are exempted from paying Council Tax would be an effective way of ensuring the Council is providing the best form of support to care leavers while making best use of available resources. The report also provides an update on numbers of unaccompanied asylum seeking young people in Cambridgeshire.**

**Recommendation: The Committee is asked to:**

- a) note the content of the report and;**
- b) approve the recommendation that adopting a scheme that exempts care leavers from paying Council Tax would not be appropriate in the absence of any national arrangements in this area;**
- c) support the Director of Children’s Services writing to Central Government to support the development of a properly funded national scheme of Council Tax relief that supports all young people living independently;**
- d) support the Director of Children’s Services writing to Eastern Region colleagues and Central Government to request assistance in relation to provision of support to Unaccompanied Asylum Seeking Children and Care Leavers in Cambridgeshire.**

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## **1. BACKGROUND**

- 1.1. Councils have been requested to consider whether care leavers for whom they hold responsibility should be exempted from paying Council Tax in a number of ways.
- 1.2. In August 2016, for example, the Communities and Local Government Select Committee recommended that care leavers be made exempt from council tax to '*at least the age of 21*'.
- 1.3. A number of charitable organisations have also lobbied Councils, asking that consideration be given to exempting care leavers from Council Tax.
- 1.4. Here in Cambridgeshire, this issue was raised through the Voices Matter panel and subsequently discussed by the Corporate Parenting Sub-Committee, which in turn asked the Children and Young People Committee to look at the matter in more detail.
- 1.5. Accordingly, the Children and Young People's Committee requested that a report be presented that summarised the benefits and any disadvantages of taking such a proposal forward.
- 1.6. While a number of authorities have implemented some form of exemption for care leavers, it is clear that there is no commonality of approach. Almost all of those who have agreed to exempt care leavers from payment of Council Tax to date have been unitary authorities, a significant number of which have agreed to only exempt care leavers living within their area from paying Council Tax.
- 1.7. Related to the broader issues around support care leavers as a whole are some specific challenges relating to providing support to the group of care leavers who were formerly unaccompanied asylum seeking children and young people. This group is increasing in size, and there are resulting strains on the services in place to support young care leavers as a result, as summarised in the main section below.

## **2. MAIN ISSUES**

### **Care Leavers and Council Tax**

- 2.1. The lack of any nationally coordinated approach to provision of Council Tax relief for care leavers has resulted in a wide variation of approaches being adopted by those councils who are seeking to provide such relief. As noted above, many of those authorities that have adopted some form of Council Tax relief to care leavers have tended only to consider those living in their areas, with the majority being unitary authorities. Unitary authorities are, of course, both responsible for care leavers and for collecting Council Tax.
- 2.2. Approaches that provide relief to specific groups of care leavers immediately results in the risk of potential challenge from other care leavers who could legitimately argue that they are being discriminated against, in this case on the basis of where they happen to be living – a decision that was often not made by them but is the consequence of decisions about where they were placed while in care.

- 2.3. For a County Council, like Cambridgeshire, the position is more complicated still. It is District Councils that have responsibility for collecting Council Tax. The County Council could ask District Councils within Cambridgeshire to exempt Cambridgeshire care leavers from Council Tax. This would, however, open District Councils to the risk of challenge by care leavers who are the responsibility of other local authorities but who are resident in their area, who could argue that they should be treated in the same way as Cambridgeshire care leavers.
- 2.4. Coming to an arrangement with the District Councils within Cambridgeshire also fails to address the difficulties posed in providing equitable Council Tax relief to care leavers living outside of the county.
- 2.5. Even if it were possible to develop a scheme that was practical to operate and addressed the above challenges, there are a number of other considerations that are relevant in deciding whether, all things considered, providing support to care leavers in this way is a sensible approach.
- 2.6. All local authorities have a number of statutory duties to provide support to care leavers. These have recently been further extended by the Children and Social Work Act, 2017. This legislation increased the age up to which care leavers are eligible to receive support from 21 to 25 years of age.
- 2.7. While seeking a fair and workable way of exempting care leavers from paying Council Tax may seem superficially attractive, the harsh reality is that paying bills is part of taking responsibility for oneself as an adult. Providing this relief for a period risks making the actual transition into having to eventually pay Council Tax a more difficult one as the young person concerned will have become used to managing on a budget that does not include having to meet this obligation.
- 2.8. Further, as noted above, care leavers are rightly entitled to a broad range of support, including support with budgeting and the provision of financial support where a young person is in clear financial difficulty. The Council fully accepts our responsibilities to support care leavers in all areas of their lives as they make the transition from young adulthood into independence.
- 2.9. This availability of support is in contrast to the position of other vulnerable young people who do not have the benefit of statutory support as care leavers, but who may frequently be struggling with the pressures of learning to live independently while dealing with often fractured relationships with family. Indeed it is likely that the population of young people struggling to live independently following difficult family backgrounds but who were not previously in care will include some of the very most vulnerable. It is therefore arguable that providing support to all young people living independently through measures such as Council Tax relief is an approach that would have far greater impact than one that only provides exemption to care leavers.
- 2.10. The final question is whether adopting an approach whereby care leavers receive exemption from Council Tax represents the best use of scarce resources.
- 2.11. Based on current projections, the full year cost of providing Council Tax relief to 18-20 year olds would be in the region of £110,000 per annum, based on the assumption that

similar numbers remain in full time education as now [and so are exempted from having to pay Council Tax].

- 2.12. As noted above, recent legislation has extended the upper age limit of eligibility to support for care leavers to 25 years. There is a clear risk that this may open authorities to challenge that any Council Tax eligibility scheme should be in place for all care leavers aged up to 25. It is harder to estimate the costs of exempting care leavers of Council Tax up to this age but they are likely to be in the region of £400,000 per annum and could possibly be higher. Costs would increase not only because of the higher number of eligible care leavers, but because a smaller proportion are likely to be in full time education and so exempt from Council Tax as age increases.
- 2.13. It is worth noting here that the Council has already identified around £390,000 per annum to meet the added responsibilities of providing support to care leavers aged 21-25, as outlined in the Children and Social Work Act, 2017. In developing this legislation, Central Government indicated that additional resources would be provided to Councils to support their new responsibilities in this area. The actual allocation made to Cambridgeshire was £23,500. This means that the Council has already identified an additional £365,000 to fund additional responsibilities under the new legislation.
- 2.14. Given the challenging financial position, any additional funding would need to be identified from elsewhere. In this context, especially given the practical considerations and the need to support young people to develop independence including in the area of being responsible for paying bills, it is unlikely that providing additional funding in this area can reasonably be considered a priority.

### **Unaccompanied Asylum Seeking Young People**

- 2.15. On a related but increasingly significant matter, a proportion of care leavers are children and young people who previously arrived in Cambridgeshire as Unaccompanied Asylum Seeking Children and young people. Over the summer months, spontaneous arrivals have increased significantly with, at the time of writing, 24 unaccompanied young people under the age of 18 arriving in Cambridgeshire between 1st July and 30th August 2018. These arrivals have taken our in care population to around 720, an increase from the fairly stable 700 we have seen for most of the last 12 months.
- 2.16. Most of these young people are aged 16 or 17, meaning that they become care leavers relatively quickly, so rapidly increasing the work of the care leaving service. We are now supporting over 100 former unaccompanied asylum seeking children and have 85 unaccompanied children as part of our looked after population.
- 2.17. Cambridgeshire is part of the Eastern Region transfer scheme, which operates on the basis that spontaneous arrivals are accommodated within the local authority in which they 'land' until the local population of unaccompanied minors reaches 0.07% of the child population, which in Cambridgeshire's case is 92 children and young people. Once this number is reached, then spontaneous arrivals in Cambridgeshire are passed to other local authorities in the region who have lower populations of unaccompanied asylum seeking young people.

- 2.18. The difficulty that we are currently facing is that the recent increase in numbers has resulted in all lower cost accommodation options in or close to the County being filled to capacity. More recently identified placements have been in the £800 per week cost bracket for 16 and 17 year olds; considerably more than the funding that comes from central government to support this age group.
- 2.19. Compounding this difficulty is the fact that local authorities remain responsible for meeting the housing, living and support costs for all young adult asylum seeking young people until the Home Office has made a determination about their immigration status. This process can be lengthy and 25 of our 100 care leavers who were formerly unaccompanied children have been awaiting a decision for between one and three years. A small number have been waiting for longer than three years.
- 2.20. Government provides a grant to contribute to the support costs for this group of young people, but as the population in the county continues to increase, putting pressure on available accommodation options and on our leaving care services, this grant is increasingly inadequate to meet actual costs. This is especially the case when included with the overall funding pressures relating you unaccompanied children we are also looking after as part of the care population.
- 2.21. Looking at unaccompanied children rates in other authorities in the eastern region, only Peterborough and Thurrock are currently above their allocation of 0.07%; Cambridgeshire is now looking after 92% of our limit under the 0.07% threshold. The authority with the next highest percentage is 85% but many authorities are currently looking after only around 50% of their full allocation, with two looking after smaller numbers than this.
- 2.22. In part this is about transit routes used by unaccompanied children; lorry routes from the continent result in more spontaneous arrivals in particular areas, disproportionately affecting some authorities, including Peterborough and Cambridgeshire.
- 2.23. Members are therefore requested to support the Director of Children's Services in writing to colleagues within the eastern region in requesting that consideration is given to reviewing how we can share more equally our responsibilities for supporting vulnerable unaccompanied young people.
- 2.24. Members are also asked to support the Director of Children's Services in requesting that the Home Office tackles current delays in the management of asylum claims being made by young accompanied arrivals. The financial and other costs borne by local authorities is detailed above, but there is also the impact on the young people themselves, who are left living in limbo for increasing periods, unable to work or move on with their lives.

### **3. ALIGNMENT WITH CORPORATE PRIORITIES**

#### **3.1 Developing the local economy for the benefit of all**

The following bullet points set out the details of implications identified by officers:

- A strong local economy depends on residents feeling secure in their homes and young people living independently are no exception to this.

### **3.2 Helping people live healthy and independent lives**

The following bullet points set out details of implications identified by officers:

- Supporting vulnerable young people as they make the transition into adulthood helps them to build resilience and establish a secure base for themselves.

### **3.3 Supporting and protecting vulnerable people**

The following bullet points set out details of implications identified by officers:

- Making representations to central government to improve the financial support for all vulnerable young people making the transition to adulthood while living independently has the potential to make the process of transition less challenging.

## **4. SIGNIFICANT IMPLICATIONS**

### **4.1 Resource Implications**

The following bullet points set out details of significant implications identified by officers:

- The report sets out the additional costs involved in providing extended support to care leavers aged up to 25 years, following on from the recent legislative change;
- The report also details additional financial pressures arising from the increased number of unaccompanied asylum seeking young people;
- The service is striving to manage resulting pressures within the overall resource envelope, but it would be clearly be helpful if agreement can be reached with neighbouring authorities around developing a more equitable pattern of support and if the Home Office can find ways of speeding up processes in relation to determining immigration status.

### **4.2 Procurement/Contractual/Council Contract Procedure Rules Implications**

- No implications

### **4.3 Statutory, Legal and Risk Implications**

The following bullet points set out details of significant implications identified by officers:

The following bullet points set out details of significant implications identified by officers:

- The Council needs to ensure that it continues to discharge its legal duties

towards Care Leavers as defined at 19B Schedule 2 Children Act 1989, S.23 (A) Children Act 1989 & Children & Social Work Act 2017 and in accordance with the Children (Leaving Care) Act 2000 & Care Leavers (England) Regulations 2010);

- In complying with its legal responsibilities as above, the Council must have due regard to its Corporate Parenting role in respect of Care Leavers, S.1-3 Children & Social Work Act 2017;
- The Council needs to ensure that the “Local Offer”, S.2 Children & Social Work Act 2017, which must be published by each Council clearly sets out what statutory and discretionary services and assistance will be provided to Care Leavers;
- The Council has a discretion to reduce tax liability for Council Tax in relation to individual cases that it may determine where other discounts may not apply, S.13A Local Government Finance Act 1992 as amended by the Local Government Act 2003.

#### 4.4 Equality and Diversity Implications

*There are no significant implications within this category*

#### 4.5 Engagement and Communications Implications

*There are no significant implications within this category.*

#### 4.6 Localism and Local Member Involvement

*There are no significant implications within this category.*

#### 4.7 Public Health Implications

*There are no significant implications within this category.*

<b>Implications</b>	<b>Officer Clearance</b>
<b>Have the resource implications been cleared by Finance?</b>	Yes Name of Finance Officer: Roger Brett
<b>Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by Finance?</b>	N/A
<b>Has the impact on statutory, legal and risk implications been cleared by LGSS Law?</b>	Yes Name of Legal Officer: Prity Patel
<b>Have the equality and diversity implications been cleared by your Service Contact?</b>	Yes Name of Officer: Lou Williams

<b>Have any engagement and communication implications been cleared by Communications?</b>	Yes Christine Birchall
<b>Have any localism and Local Member involvement issues been cleared by your Service Contact?</b>	Yes Name of Officer: Lou Williams
<b>Have any Public Health implications been cleared by Public Health</b>	

**SOURCE DOCUMENTS**

<b>Source Documents</b>	<b>Location</b>
None	