

TITLE	Care Leavers Living Support: Council Tax Exemption
FOR CONSIDERATION BY	Children's Services Overview and Scrutiny Committee on 23 January 2018
WARD	Non specific
DIRECTOR	Interim Director of People Services - Paul Senior

OUTCOME / BENEFITS TO THE COMMUNITY

- The proposal for offering a council tax exemption for Wokingham Children looked after, who are now Care Leavers is a positive message.
- The Children and Social Work Bill 2017 outlines new responsibilities for Councils as good corporate parents to provide support and care for care leavers up to the age of 25 years. This is an extension of our duties for care leavers by 4 years. The extension of these new responsibilities recognises that the role of a parent is a lifelong role and that whilst those aged 18 years and upwards are legally adults, many parents in society continue to support their children financially and in kind, especially in early adulthood and at a time of new found independence.
- The use of council tax exemption may raise queries from other council tax paying groups about the application of these exemptions. Wokingham Borough Council has a duty to support the children in its care a Corporate Parents. Children in care and care leavers are some of the most vulnerable and disadvantaged children in our community. The council on behalf of the community of Wokingham makes a commitment to care for and support these children and young adults in the same way as any other good parent would support their birth child.

It is recommended that council tax exemption is extended to Wokingham Care leavers up to the point of 25 years as part of a more comprehensive review of support packages and in line with new legislation.

Our aim is to provide locally for Wokingham children, except in exceptional circumstance where specific and complex needs dictate a specialist centre of care. Such examples would be for children with severe and complex disabilities who require specific care packages and those with specialist therapeutic or secure care needs.

In the 2016/17 Children's Social Care have made strides to change the pattern of placements of children by not placing one new child outside of Wokingham (excluding those Unaccompanied Asylum seeking- UASC, whose needs can only be met in specific accommodation). This success went some way to stemming spend on placements for children in care by more effective use of the existing in-house resource.

Following on from this placement strategy, we want to extend our approach to the successfully housing and support of Wokingham children who become care leavers. We wish to do this by ensuring we give care leavers the best start in life as a young adult. Corporate Parenting Board has been successful in achieving this through the Young Peoples Housing Strategy, which ensures a comprehensive housing offer to Care leavers and provides wrap around support and additional tenancy entitlements.

The Children and Social Work Act 2017 required Councils to go further in their range and extent of support. Wokingham strives for excellence in the service it provides. Our proposal for council tax exemption for care leavers up to the age of 25 years, is within the gift of the council and would mark a benchmark in best practice.

The Children's Society have recently published a report on the support of Care Leavers by Councils and they have cited the type of proposal being raised Corporate Parenting has an innovative example.

This proposal also delivers a positive public message that care leavers are valued members of the community and that Wokingham Borough Council is supportive of local residents meeting local needs.

RECOMMENDATION

It is recommended that approval of council tax exemption is extended to cover Wokingham Borough Council care leavers to the age of 25 years

SUMMARY OF REPORT

The report proposes in recognition of our Corporate parenting responsibilities to care leavers, that council tax exemption be made up to the age of 25 years old as part of our support package to give them the most positive start in life.

The financial modelling was commissioned by the Corporate parenting Board in the form of task and finish groups sponsored by the then Lead Member for Children's Services, Cllr Hailtham-Taylor and members on the Corporate parenting Board.

The priorities for the Corporate Parenting Board and for Children's Services for 2017/18 and beyond is a focus upon developing outstanding services to our Care leavers and meeting our duties as Corporate Parents under the new legislation.

Background

As Part of the Corporate Parenting Strategy, Wokingham Children's Services department has been reviewing both the Children in Care and care leavers strategies which has included a comprehensive review of Staying Put policies, University and Higher education funding, increased benefits for foster carers and improved Housing/ placement options..

Analysis of children's and care leavers needs have meant that we need to support our most vulnerable young people with a comprehensive wrap around package.

The Children and Social Work bill came into force in April 2017 which requires Local Authorities to extend its care leaving services and support for young people up to the age of 25 years. It requires the Local Authority to exercise its duties, financially where required to support care leavers and one approach to doing this would be for Wokingham Borough Council to provide for council tax exemption for care leavers. The cost analysis is cited below.

There are additional costs to Wokingham Borough council in managing housing and tenancy options for young care leavers who are in their first few years of independence. The view from the Revenue and Benefits outlines that young people on benefit are also likely to receive Council Tax (CT) Reduction and so Council Tax arrears are not so significant or costly to address. However for those young people who are working, Council Tax arrears can mount up and are rarely sole debts – where there are Council Tax arrears there are also likely to be rent arrears.

Council Tax recovery is not as time-consuming as most stages are automated and the debt is recovered by pre-set stages.

The view via Housing and the Rents teams agree that a person rarely has solely Council Tax arrears. Rent recovery for young people who are social housing tenants is costly and time-intensive. It is also agreed that when a person goes in to some arrears – all areas of their financial life are likely to be similarly affected.

There has been a review of the financial and social cost of a young person failing in their tenancy due to debt and have concluded the following:

- Losing a social housing tenancy is generally traumatic and can have a lasting impact on a person's ability to thrive. Although Wokingham Borough Council have a "more than one chance" policy for Care Leavers, this is, of course, dependant on the person asking for another chance. Some people, once having lost a home, may not want to ask for help again. It is likely that the council will have accrued costs through property clear up, void works and former-tenant arrears.
- Where we do enact "More than One Chance" the young person would then be allocated another social housing home. The additional costs that this would incur are likely to be intensive involvement of a Housing Officer, Tenancy Sustainment Officer, PA and Rents Officer.

Looking at the cost of a rent recovery intervention all the way to possession, it is estimated that the cost per average person where possession action is straightforward could be:

- 40 hours (minimum) of action by a Rent Officer (estimate at £560 - £1000)
- 30 hours of a Tenant Support Officer (estimate at £420)
- Extensive but unqualifiable Personal Advisor hours due to a case by case basis impacting upon staff and time resource.

The hidden costs as outlined above of trying to support and manage a Care leaver with debt and arrears can be considerable. The exemption from Council tax will assist with increasing the financial security for our young people.

Initial Desktop - Financial Analysis

The following options (as a snap shot in September 2017) have been reviewed to assess the potential financial costs for each option

Cost Analysis for Council Tax exemption for Wokingham Care Leavers:

Number of care leavers this will apply to:

26 care leavers housed in Wokingham Borough

7 carer leavers housed outside the Borough, Total 33.

Using the average formula of Wokingham band D of £1650 per annum the cost for the 33 care leavers is £54,450. This is financial scoping/ modelling and therefore we know that many carer leavers will not be in properties that fall into band D and therefore the costs are likely to be lower.

Cost to Wokingham Borough Council of exemption of our foster carers and corporate children:

Care leavers housed outside Wokingham	7
Care leavers housed in Wokingham	26
In House Foster Carers	35
Family and Friend Carers	3
Total	71
Wokingham Band D - Average Council Tax*	£1,650
Estimated Cost per Annum**	£117,150

* Based on 2017/18 rates and includes Police, Fire and Parish precepts.

** Subject to annual % increases in Council Tax.

Recommendation:

The cost benefit analysis of council tax exemption is a positive one for the Council. Early consultation about whether this would be beneficial for care leavers demonstrates that it would be very helpful and supportive to young people who are in work.

Such a support package would be in line with the recommendations of the 2017 legislation and is supported by recent research and policy review by The Children's Society in 2017.

The task and finish group recommended taking this proposal forward at Corporate Parenting Board and therefore through the committee process. The revenue loss to the council will be partly offset by reducing the costs to the Council of debt, and arrears recovery and costs associated with tenancy instability and homelessness and rehousing.

This exemption to Care Leavers is a positive and supportive approach to the most vulnerable young people in our community and for whom we have legal responsibilities as their parents. The benefits to our care leavers will be significant as they transition into young adulthood. In addition it makes a very clear statement about the core values of the Council, placing the needs of children, carers and young people at the heart of our thinking.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	As above		
Next Financial Year (Year 2)			
Following Financial Year (Year 3)			

Other financial information relevant to the Recommendation/Decision
N/S

Cross-Council Implications
N/S

List of Background Papers	
N/S	
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