

TITLE	Care Leavers Living Support: Exemption of Council Tax
FOR CONSIDERATION BY	The Executive on 29 March 2018
WARD	None specific
DIRECTOR	Interim Director of People Services - Paul Senior
LEAD MEMBER	Executive Member for Children's Services – Mark Ashwell

OUTCOME / BENEFITS TO THE COMMUNITY

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 young adults.

The 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 and our proposal for council tax exemption for care leavers up to the age of 21 years is within the gift of the Council and would mark a benchmark in best practice. A further review would consider the benefits of extending the policy to 25 years old

The Children's Society have recently published a report on the support of Care Leavers by Councils and they have cited the proposal by Corporate Parenting has an innovative example. https://www.childrenssociety.org.uk/sites/default/files/guidance-for-care-leaver-offer_1.pdf

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

That Executive approve:

- 1) Council tax exemption or payment equivalent to council tax for those living outside the Borough be provided to Wokingham Borough Council care leavers up to the age of 21 years;
- 2) additional budget of £66,160 is approved for 2018/2019 onwards for the cost of this proposal;
- 3) that the Council Tax Section 13A Policy will be amended to include this proposal.

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 21 years old as part of our support package to give them the most positive start in life.

A future review may also consider if there are any benefits of an extension of the exemption to 25 years old, but this will be pending future Council approval.

The financial modelling was commissioned by the Corporate Parenting Board in the form of task and finish groups sponsored by the previous and current Lead Member for Children's Services, Cllr Haitham-Taylor and Cllr Mark Ashwell with the support members of 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.

1. Background to Fostering Benefits and financial modelling:

1.1 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.

1.2 The 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. We know that targeted support to vulnerable young people can avert a number of issues, which prove costly and negative to the individual and to the community in the form of debt, Housing and homelessness issues, poor emotional health and wellbeing, crime and anti-social behaviour and worklessness.

1.3 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. Government approved and nationally recognised research by the Children's Society on the impact of lack of early adulthood support can be found at

<https://www.childrensociety.org.uk/what-we-do/resources-and-publications/a-national-offer-for-care-leavers>

1.4 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.

1.5 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.

1.6 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 is that a person rarely has only Council Tax arrears. Rent recovery for young people who are social housing tenants is costly and time-intensive to resolve. 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.

1.7 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.

1.8 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.

1.9 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 and reduce the volume of young people who require intervention.

2. Care Leavers living Outside Borough

2.1 In order to support all Care Leavers for whom we have responsibility, but who chose to live outside the borough boundary, It is proposed that Wokingham Borough Council enters into a financial agreement and negotiation through a Memorandum of Understanding (MOU). The proposed MOU undertakes for Wokingham Council to meet the cost of the Council tax in another authority up to the age of 21 years. This allows the care leaver living outside of the borough to remain exempt. In authorities that have already instigated an exemption policy, including our neighbours Bracknell and the Royal Borough of Windsor and Maidenhead, there are clear platforms on negotiating reciprocal agreements.

2.2 Early adopters of this policy have established agreements with other authorities and so this is a well-established process/ protocol.

2.3 The numbers of care leavers under the age of 21 years in property whereby they are in employment and not subject to a current level of exemption in any event (through being in higher or further education, having disabilities and needing ‘social care’/ institutional care or being reliant upon benefits) is low.

3. Initial Desktop - Financial Analysis

3.1 The following options (as a snap shot in January 2018) have been reviewed to assess the potential financial costs for each option.

Cost Options

Cost Analysis for Council Tax exemption for Wokingham Care Leavers:

Number of care leavers this will apply to:

Using the average formula of Wokingham band D of **£1,741** per annum the cost for the total of 38 care leavers below the age of 21 is **£66,158**. Table 1 refers. This is financial scoping/ modelling and therefore we know that many carer leavers will not be in properties

that fall into band D or will be exempt from Council Tax for other reasons and therefore the costs will be lower. It also assumes that the reciprocal agreements with other authorities will negate any potential tax aspects i.e. the recipient being eligible for tax on a benefit received, this need to be explored further.

Table 1 - Cost to Wokingham Borough Council of exemption of all Care leavers inside and outside Borough including those in their own accommodation:

Figures based on all care leavers open to the service

	Age Range	
	18-21	21+
Care leavers living outside the borough	25	16
Care leavers living inside the borough	13	10
Total	38	26
Wokingham Band D - Average Council Tax*	£1,741	£1,741
Estimated Costs per annum**	£66,158	£45,266

* Based on 18/19 rates and includes Police, Fire and Parish Precepts.

** Subject to annual % increases in Council Tax.

4. Recommendation:

4.1 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 and generally on low incomes. 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.

4.2 The dedicated 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.

4.3 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)	£0	N/A	Revenue
Next Financial Year (Year 2)	£66,160 max	No	Revenue
Following Financial Year (Year 3)	£66,160 max	No	Revenue

Other financial information relevant to the Recommendation/Decision
<p>This proposal has a legal framework behind in terms of the Children and Social Work Bill 2017 in which Local Authorities are required to demonstrate an increased level of support for Care Leavers and the development of services under a 'Local Offer'.</p> <p>There is an ability to avoid additional costs in terms of managing rent and council tax arrears and staff time and resources to deal with this. It is an 'invest to save' proposal with soft benefits being realised in other parts of the Local Authority and Public sector.</p> <p>We are not able to be definitive about total costs although based upon the total number of Care Leavers (up to 21 years) for whom Wokingham are responsible, if they were all given exemption the maximum it would cost would be £66,158, but this is based upon Wokingham Council tax band D and our care leavers don't all live in such high properties. The majority in any event receive exemption or move between being required to pay because they are in work and then unemployed or exempt for other reasons.</p> <p>The costs will change throughout the year but if all care leavers were eligible to pay council tax and were exempt and all lived in reasonably valuable property, the maximum cost would be £66,158.</p>

Cross-Council Implications
None

List of Background Papers
<p>Children and Social Work Bill 2017</p> <p>The Children's Society : A Fairer Start for Care Leavers 2017</p>

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