

From: Matt Dunkley, CBE, Corporate Director of Children, Young People and Education

To: Sue Chandler, Cabinet Member for Integrated Children's Services

Decision No: 20/00005

Subject: Funding for Council Tax payments for Kent young people who are Care Leavers aged 18-21 years

Classification: Unrestricted

Electoral Division: All

Summary: This is a proposal for Kent County Council to fund council tax payments for all young people eligible to pay council tax, who are Kent Care Leavers aged from 18 years, up to the age of 21 years.

Recommendation: The Cabinet Member for Integrated Children's Services is asked to:

- a) Agree that Kent County Council will fund the council tax payments for Kent young people who are Care Leavers from the age of 18 years, up to the age of 21 years. All young people will be supported and expected to claim any council tax benefit/discount entitlement that they are eligible for. e.g. singled person, student, severe impairment of mental capacity etc. No back dated payments or arrears will be funded by Kent County Council.
- b) Implement from 1st April 2020 and to be published in the Kent Local Offer for Care Leavers.
- c) Delegate authority to the Corporate Director of Children, Young People and Education, or other nominated officer, to undertake the necessary actions to implement the decision.

1. Introduction

- 1.1 On 27th March 2019 at the Corporate Parenting Panel, members received a new Challenge Card from our young people's council "**That all Kent Care Leavers living in Kent be exempt from paying Council Tax, up to the age of 25 years where they are still engaging with the service**". Members of the Corporate Parenting Panel accepted the Challenge Card and officers have supported the work to progress this.

- 1.2 The Children and Social Work Act (2017) implemented on 1st April 2018, placed corporate parenting responsibilities on district councils for the first time, requiring them to have regard to children in care and care leavers when carrying out their functions. Councils have the power to introduce exemptions for council tax for certain groups under section 13A of the Local Government Finance Act 1992. The complication in Kent is that, if an exemption was agreed as part of a district councils offer as a Corporate Parent, it would require agreement and implementation across all 12 District Borough Councils. Research into the administration process and costs for this have resulted in the proposal to support young people by Kent County Council directly funding their council tax bill from the age of 18-21 years.
- 1.3 Corporate Parenting is a statutory function of the Council with the underlying principle that every local authority will seek the same outcomes for children and young people in care that every good parent would want for their own children; for example, successful transition to young adulthood and financial independence.
- 1.4 The children's social care inspectorate, Ofsted, has the 'Experience of Looked After Children and Care Leavers' as a key judgement area in its evaluation of local performance, and expects Councils and children's services to provide clear evidence that it supports its young people leaving care up to the age of 25, in a way that optimises their outcomes.
- 1.5 The Government's care leavers' strategy, *Keep on Caring*, published in July 2016, encouraged councils to consider the role of a corporate parent, '*through the lens of what any reasonable parent does to give their child the best start in life*'. As a further development of this local authorities were encouraged to consider exempting care leavers from council tax using the powers already at their disposal, to be aspirational for care leavers in achieving financial independence.

<https://www.childrenssociety.org.uk/sites/default/files/fairer-start-for-care-leavers-campaigner-resource-pack.pdf>

2 Kent County Councils Strategic statement

- 2.1 The proposal meets the objectives of 'Increasing Opportunities, Improving Outcomes: Kent County Council's Strategic Statement (2015-2020)' as follows:
- The Strategic Statement underpins the proposal for funding council tax payments in our aim to improve the lives of children and young people by giving them the best start in life. It meets our responsibility of being the

best Corporate Parent we can be and being aspirational for our Care Leavers as they transition into adulthood.

- An agreement would improve the outcomes of Care Leavers by ensuring that they are financially supported and give them the best possible opportunities for their futures as adults.

3 Research

3.1 The Children's Society report 'The cost of being care free' published in June 2016 contained several recommendations, one of which was that 'care leavers should be exempt from paying council tax until the age of 25 to avoid them getting into debt after leaving care'.

3.2 The Children's Society's 'Wolf at the Door' report into council tax debt showed that the pace of escalation of debt by local authorities could be frightening for care leavers; what can start out for many young people as falling slightly behind can very quickly escalate to a court summons and enforcement action being taken.

3.3 The Children's Society 'Wolf at the door'.

https://www.childrenssociety.org.uk/sites/default/files/wolf-at-the-door_council-tax-debt-collection-is-harming-children_PCR027a_WolfAtTheDoor_Web.pdf

The Children's Society report that more than a third of local authorities have introduced measures to exempt care leavers from council tax, to date there are 76. As a leading Local Authority, rated as Ofsted GOOD, Kent would want to be at the forefront of this, to secure an agreement for their Kent Care Leavers and add it to their Local Offer.

3.4 Care leavers can find themselves grappling with the challenges of living independently; managing a household, continuing education or seeking employment, as well as managing their personal finances and paying household bills for the first time, often on a very low income and without the support of family or previous financial education to help them navigate this. This can make care leavers a particularly vulnerable group when it comes to the collection of council tax when moving into independent accommodation.

3.5 Further evidence shows spiralling debt and the threat to their tenancies are amongst the biggest issues in care leaver's lives, often leading to abandonment and tenancy loss, making it extremely difficult for young people to access accommodation at a later stage. This can have a great impact on not only the young person's health and wellbeing but the wider community i.e. homelessness, health, crime and the prison service. As of 1st July 2018, Kent County Council introduced a guarantor scheme to our Care Leavers to assist them accessing good quality privately rented

accommodation. Kent County Council have a pilot scheme for care leavers, in which they will act as a guarantor for them, plus offer a deposit and initial rent scheme. An agreement to fund Council Tax payments would further enhance this offer.

4 Proposal and Eligibility

- 4.1 The scheme for funding Council Tax payments will apply to care leavers who are the responsibility of Kent County Council as their Corporate Parent, living both in Kent and those Kent young people now living outside of the county, aged 18 to 21 years.

All young people who are Kent care leavers will be responsible for:

- Applying for any universal and applicable Council Tax Exemption, discounts or Council Tax Support.
- Paying any historic Council Tax liability.

5 Conditionality:

- The Scheme will cease to be apply when a care leaver reaches the age of 21 years or when the education or training activity being undertaken on the 21st birthday is completed.
- In situations where a care leaver is part of a couple, and where the partner is not a care leaver, 50% of the joint liability (after any Council Tax Exemption or Council Tax Support subsidy has been applied) may be reclaimed.
- Where the care leaver or their partner is a full-time student and therefore one party is exempt from a Council Tax Liability, 50% of the liability will be paid; this approach is taken for ease of administration.
- In situations where a care leaver is part of a couple and both are care leavers, the 100% refund will continue until the oldest care leaver reaches the age of 21 years. Thereafter a 50% approach will be taken, unless the youngest care leaver is a full-time student, in which case eligibility for the Scheme will cease.
- Where the care leaver experiences a change of circumstances and therefore their Council Tax Exemption or Council Tax Support subsidy needs to be reassessed, the care leaver should make sure the adjustment is applied immediately. The Scheme will then pay the new applicable liability or (50% of the liability, if a couple) subject to the care leaver paying the new liability and presenting evidence of the new payment rate (as above, quarterly in arrears).
- Where a care leaver is living in a Staying Put or Supported Lodgings arrangement with a single carer, and the carer loses their 25% single person discount, any increased Council Tax Liability that is accrued by the Staying Put or Supported Lodgings carer will be covered by KCC.

- Where a care leaver is living in a commissioned/private semi-independent placement (aged 18 and over) the Council Tax Liability will be covered in the contract value.

6. Data and Financial Implications in relation to young people aged 18-21 year olds who are Care Leavers

6.1 Data as of 1st December 2019 shows that Kent County Council has 1515 open cases for care leavers aged between 18-21 years. Of this, there are 580 currently paying a council tax liability of either full or part payment of council tax.

Table 1: Young People who are Care Leavers aged 18-21 years open to the service.

Total number of care leavers aged 18-21 years	1515
Number of care leavers living in Kent aged 18-21 years	1017
Number of care leavers living in Medway aged 18-21 years	142
Number of care leavers living out of county aged 18-21 years	356
Number of care leavers aged 18 – 21 years either not currently liable for council tax or claiming entitlements/discounts so no cost	935
Number of care leavers paying council tax aged 18-21 years	580
Estimated Council tax paid by Care Leavers aged 18-21 years	£594,230

6.2 Therefore, the estimated cost implication for Kent County Council paying council tax for Care Leavers aged 18-21 years would be **£594,230** per annum.

7. Data and Financial Implications in relation to young people aged 22-25 year olds who are Care Leavers

7.1 The Children and Social Work Act (2017) introduced a responsibility on Local Authorities to extend duties to support young people up until the age of 25 years, where they are Care Leavers. Since this change on 1st April 2018, there are currently 201 young people between the ages of 22-25 years open to the Care Leavers 18+ Service. This is a combination of young people who have decided at aged 21 years, to continue to receive support, alongside a number of young people who had previously been closed, that have returned to the service.

Table 2: Young People who are Care Leavers aged 22-25 years open to the service.

Total number of care leavers open to the service aged 22- 25 years	201
Number of care leavers living in Kent open to the service aged 22- 25 years	137
Number of care leavers living in Medway open to the service aged 22- 25 years	12
Number of care leavers living out of county open to the service aged 22- 25 years	52
Number of care leavers open to the service aged 22- 25 years either not currently liable for council tax or claiming entitlements/discounts so no cost	88
Number of Care Leavers aged 22-25 years paying council tax	113
Estimated Council tax paid by Care Leavers open to the service aged 22- 25 years aged	£85,236

7.2 There are currently 1,264 young people aged 22-25 years who are Care Leavers not open or in touch with the service. This is at their choice. For these young people, we are unable to ascertain as to whether they are currently paying council tax. At this age, most of our young people will have finished education and be in some form of employment or eligible for benefits, dependent upon their circumstances.

7.3 For the 1,264 young people KCC are not in touch with, the figures have been estimated using an average figure of £998.00 per annum for council tax. In reality some young people will pay more than this, depending on where they are living and the type of accommodation.

Table 3: Young People who are Care Leavers aged 22-25 years not currently open to the service.

Total number of former care leavers not currently open to the service aged 22- 25 years (eligible to return and receive a service)	1,264
Estimated cost if all former care leavers aged 22-25 years were paying council tax	£1,261,472
Estimated cost if half former care leavers aged 22-25 years were paying council tax	£630,736

Estimated cost if one third of former care leavers aged 22- 25 years were paying council tax	£420,490
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- 7.4 Therefore, the estimated cost implication for Kent County Council paying council tax for Care Leavers aged 22-25 years if all were liable to pay full council tax would be estimated at **£1,261, 472** per annum.
- 7.5 There is a further financial implication on the Care Leavers 18+ Service, if there was an offer made to 22-25 year olds not currently open to the service. To receive funding for their council tax, each young person would need to be re-opened to the service and allocated a Personal Advisor.
- 7.6 Based on a Personal Advisor having a caseload of 25 young people, there would need to be an additional 50 Personal Advisors within the service, to meet this demand. This would be the equivalent of 6 new teams and require an additional 6 Team Managers to manage the workload, alongside business support staff to support with the administration.
- 7.7 The cost of one Team Manager and 6 Personal Advisors would cost approximately £319,780 excluding business support costs. The cost for 6 new teams would therefore be **£1,918,680**.
- 7.8 The combined cost of paying council tax for young people who are Care Leavers aged 22-25 years old and the staffing resource to do this, would be a cost of **£3,180,152**.

8 Conclusion

- 8.1 The original challenge card from our Kent young people, was exemption of council tax up until the age of 25 years. As part of the work and research completed, the Care Leavers 18+ Service reviewed the potential impact of offering the funding of council tax payments up to the age of 25 years, as opposed to 21 years, in line with some smaller Local Authorities. Financially this would put considerable pressure on Kent County Council within the Care Leavers 18+ Service budget, as there would likely to be a large number of young people returning to the service, purely to access their council tax being funded. They would need to be allocated to a Personal Advisor which would have significant impact upon caseloads and the capacity to work with our most vulnerable young people.
- 8.2 The majority of our young people have completed their education or training by the age of 21 years and are likely to be more settled and at the start of their paid employment. This would give young people 3 years to qualify or complete training, learn to budget and prepare for taking on their own council tax payment at the age of 21 years. Those that are more vulnerable and not able to maintain paid employment, are those more likely to be eligible to claim council tax discounts or benefits, so are unlikely to be liable for the full council tax payment. They would therefore still be able to access these entitlements at age 22-25 years.

- 8.3 Within this proposal, Kent County Council have taken into account that due to the numbers of unaccompanied asylum young people, they have much higher numbers of Care Leavers compared to other Local Authorities. Therefore, the proposal for payment for council tax for Kent young people who are Care Leavers aged 18-21 years, is a realistic and balanced offer that would not put Kent County Council at a significant budget risk.

9. Recommendation(s): The Cabinet Member for Integrated Children's Services is asked to:

- a) Agree that Kent County Council will fund the council tax payments for Kent young people who are Care Leavers from the age of 18 years, up to the age of 21 years. All young people will be supported and expected to claim any council tax benefit/discount entitlement that they are eligible for. e.g. singled person, student, severe impairment of mental capacity etc. No back dated payments or arrears will be funded by Kent County Council.
- b) Implement from 1st April 2020 and to be published in the Kent Local Offer for Care Leavers.
- c) Delegate authority to the Corporate Director of Children, Young People and Education, or other nominated officer, to undertake the necessary actions to implement the decision.

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