
**Manchester City Council
Report for Resolution**

Report to: Resources and Governance Scrutiny Committee - 19 July 2018
Executive - 25 July 2018

Subject: Financial Support for care leavers including a Council Tax
Discount

Report of: City Treasurer

Summary

This report seeks approval to

1. Provide 100% discount from the payment of Council Tax to care leavers, where appropriate from their 18th birthday up until their 25th birthday.
2. If the care leaver is joint and severally liable or becomes a member of a household where an exemption or discount is in place, such as a Single Person Discount or Student Exemption, the presence of the care leaver should be ignored so that the exemption/discount is not affected.
3. Include care leavers up until their 25th birthday as a specific vulnerable group in the Council's discretionary financial support policies including the Welfare Provision Scheme, the Discretionary Council Tax Support Scheme and the Discretionary Housing Payment scheme.

The Council has the discretion to reduce Council Tax liability for individuals or prescribed groups. This discretion is exercised in accordance with section 13A (1) (C) of the Local Government Finance Act 1992.

It is proposed that the Council exercises its discretionary powers to support care leavers by offering a Council Tax discount of up to 100% for care leavers living in the city.

Providing this support would help care leavers manage the social and financial transition from local authority care to independent living and assist in sustaining tenancies and mitigating the risk of homelessness and increased transience for this vulnerable group of young people.

Recommendations

Scrutiny Committee is requested to note and comment upon the contents of the report and the steps being taken to support care leavers living in the city.

Executive is requested to agree the following:

That the Council supports the proposal set out in the proposed AGMA protocol and the following changes are made and agreed to Manchester City Council policies.

For any bills or charges relating to the 2018/19 financial year, the Council will award a Council Tax discount to care leavers of up to 100% of the Council Tax that is due, subject to the following points:

- The discount will apply until the care leaver reaches their 25th birthday.
- If the care leaver is joint and severally liable or becomes a member of a household where an exemption or discount is in place, such as a Single Person Discount or Student Exemption, the presence of the care leaver should be ignored so that the exemption/discount is not affected.
- Care leavers up to their 25th birthday are included as a specific vulnerable group in the Council's discretionary financial support policies including the Welfare Provision Scheme, the Discretionary Council Tax Support Scheme and the Discretionary Housing Payment scheme.
- For the purposes of this report, a care leaver is defined as an individual whom any Council has Corporate Parent responsibilities for. The care leaver should be resident in the Manchester area and have been in the care of a local authority (looked after) for at least 13 weeks since the age of 14 and who was in care on their 16th birthday.
- This decision is effective from the beginning of the 2018/19 financial year and, as such, any awards would be backdated to 1 April 2018 where appropriate. Care leavers who become responsible for Council Tax after this date will be granted the discount from the date of occupation.
- The Council has discretion to backdate the care leavers discount to April 2017 and this discretion is delegated to the Director of Customer Services and Transactions or their nominated representative. Each request will be considered on its own merits.

A copy of the new policy document to support this scheme is attached as appendix one.

Wards Affected: All

Manchester Strategy outcomes	Summary of the contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The proposals have been considered to ensure that they do not have a negative impact on the transition into work or maintaining employment
A highly skilled city: world class and home grown talent sustaining the city's economic success	This proposal has been developed to support care leavers in the transition from local authority care to living independently. This includes financial management and inclusion and the sustainability of their home, work and education.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	As above

A liveable and low carbon city: a destination of choice to live, visit, work	N/a
A connected city: world class infrastructure and connectivity to drive growth	N/a

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

Initial analysis that was done in 2017/18 indicated that the costs of providing this discount to care leavers up to aged 21 would be circa £42,000 per year. It was agreed that the costs would be met from the Collection Fund and would reduce the amount of Council Tax funding available to support the revenue budget in the following year.

The actual costs associated with the scheme to care leavers up to age 21 have been much lower with expenditure to date of circa £8k per year. The financial impact of extending the provision and age range up to age 25 can be managed within the £42k budget agreed by the Executive in 2017.

Financial Consequences – Capital

None

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Background documents (available for public inspection):

The Wolf at the door. How Council Tax collection is harming children. The Children's Society, March 2015

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

Department for Education, Keep on Caring, July 2016

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/535899/Care-Leaver-Strategy.pdf

Applying corporate parenting Responsibilities to care leavers, Statutory guidance for local authorities: February 2018, DCLG

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/683698/Applying_corporate_parenting_principles_to_looked-after_children_and_care_leavers.pdf

Executive Report Council Tax Discount for care leavers 26/7/17

<http://www.manchester.gov.uk/meetings/meeting/2991/executive>

1. Background

1.1 Care Leavers - The Council's responsibility

Corporate parenting is a statutory function of the Council. The underlying principle is 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.

Looked after children and care leavers are amongst the most vulnerable groups in society. Many will have suffered abuse or neglect. Research advises that care leavers show significantly lower academic achievement, are more likely to be unemployed, to have mental health needs, be homeless and be disproportionately represented in prison. Whilst the Council has positive arrangements to support these young people, they tend to leave home at a younger age and have more abrupt transitions to adulthood than their peers. Unlike many of their peers who normally remain in the family home, care leavers will often be living independently at age 18. As corporate parents, the Council wants to make sure that young people's experiences leaving care and moving into independent living are positive and improve their life chances.

1.2 Care leavers and finance

Managing budgets can be very challenging for most people on low incomes; none more so than vulnerable young people as they transition into adulthood adjusting to living by themselves. A care leaver's transition is often 'not of choice' and their life experiences are often characterised by trauma and limited support networks. As a result they are more likely to find it difficult to budget and manage their income than their counterparts who may not have been in the care of a local authority.

The Government's report 'Keep on caring', published in July 2016, encourages local authorities and their partners 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'. Furthermore, nationally care leavers have consistently reported they were insufficiently prepared for the realities of living independently, particularly in relation to budgeting.

A 2015 report by The Children's Society (The Wolf at the Door. How Council Tax debt collection is harming children) suggests that care leavers are a particularly vulnerable group for Council Tax debt. It found that when care leavers move into independent accommodation and they begin to manage their own budget fully for the first time that this is challenging time for care leavers, particularly if they are falling behind on their Council Tax. The Children's Society report made a number of recommendations, including making care leavers eligible for a Council Tax discount.

1.3 The Council's powers

1.3.1 Council Tax

The Council has the discretion to reduce Council Tax liability for individuals or prescribed groups. This discretion is exercised in accordance with section 13A of the

Local Government Finance Act 1992.

Under Section 13A of the Local Government Finance Act 1992 the Council has the power to reduce liability for Council Tax in relation to particular cases or by determining a class of cases that it may determine and where national discounts and exemptions cannot be applied. Section 13A(1) states *'Where a person is liable to pay Council Tax in respect of any chargeable dwelling and any day, the billing authority for the area in which the dwelling is situated may reduce the amount which he is liable to pay as respects the dwelling and the day to such extent as it thinks fit.'*

1.3.2 Other areas of financial support

It is important that the proposals set out in this report are seen in the context of an overall package of support offered to prepare care leavers for independence and support them in the successful transition to adulthood.

The Council also has several local discretionary schemes supported by local policy to support vulnerable residents, these include:

- Discretionary Housing Payments
- Discretionary Council Tax Payments
- Welfare Provision Scheme

Claims are already consider from care leavers up to aged 21 within these policy documents.

2. 2017 Activity

2.1 Position across Greater Manchester

In June 2017, treasurers across Greater Manchester agreed to provide a reciprocal agreement to support care leavers with Council Tax charges up until their 21st birthday.

There were variations on this with some councils providing a more generous approach. However, the general minimum essential agreement was based upon care leavers being supported with a Council Tax reduction/exemption until they reached the age of 21, with a reciprocal agreement across AGMA. This meant support was provided based on current residency rather than which authority was designated as corporate parent

This agreement was taken forward within councils subject to appropriate political and policy sign off and all AGMA councils have been operating a reciprocal, broadly similar scheme since this point.

2.2 Manchester's position and decisions

At the Executive on 27 July 2017, the Council agreed the following:

The Council will:

1. Provide a discount of up to 100% discount of the Council Tax that is due, to care leavers who live in the city aged 18, 19 and 20 years, up to the date of their 21st birthday.
2. Create a local discount S13A (Local Government Finance Act 1992) policy to support this provision
3. The discount will be awarded after all other discounts, exemptions (for example student discount) and Council Tax Support have been awarded.
4. Where there is a shared liability for the Council Tax due the discount will only be paid to cover the share that the looked after person would be liable for.
5. That any discounts should be awarded with immediate effect with the discretion to backdate to 1 April 2017. This discretion should be delegated to the Head of Revenues and Benefits on behalf of the City Treasurer

That the Council monitors the costs of the scheme during the first year of implementation and provides delegated responsibility to the City Treasurer to amend the scheme and associated policy as required to support a Greater Manchester approach and policy.

3.0 Developments

3.1 What has changed?

Since agreeing this approach there have been further developments in terms of support to care leavers, with proposals that existing provision should be extended up until the date of the care leaver's 25th birthday.

This includes:

- Legislation coming into force from April 2018, requiring all councils to have a documented care leavers' offer, including the right to ask for a personal assistant up until aged 25.
- This issue being included in the Council's Executive and GM Mayoral priorities for the year ahead.
- Directors of Children's Services across AGMA working on an improved offer to care leavers that includes financial well-being and inclusion.

This issue has been a regular agenda item on the AGMA Revenues and Benefits Forum agenda with Heads of Service being keen to ensure that this vulnerable group are appropriately supported.

3.2 Costs to date

This has been a developing and challenging area with some issues in terms of capturing data and working with colleagues in Children's Services and care leavers themselves to ensure that a discount or exemption is awarded and keeping up with the transient nature of many young people within this cohort.

The numbers and associated costs are lower than initially anticipated across Greater Manchester, as many of the care leavers included in the initial offer (up to aged 21), do not have a Council Tax liability. This is often due to the nature of the accommodation they are living in on leaving care (living with others, within a supported setting or as part of a house in multiple occupation). It can also be due to

their personal circumstances, for example they may be a student or in receipt of benefits. Where the young person is in receipt of benefits, the amount that may be required to clear all charges may only be £137 per year. This is based on a band A property with single person discount and Council Tax Support of 82.5%.

Examples of costs for 2017/18 across AGMA and neighbours are shown below. As advised earlier in this report, some councils apply the discount before any CTS or discounts would be due resulting in a slightly higher figure. Given that all relief provided is funded by the local authority there is no financial benefit in either way. In Manchester we have calculated the additional cost as a result of the policy change rather than overall costs.

Council	Number receiving support	Amount awarded during 2017/18
Bolton	36	£6,900
Bury	Implemented from 2018	
Cheshire East	76	£44,000
Halton	20	£9,000
Manchester	39	£8,000
Oldham	16	£4,600
Rochdale	35	£35,000
Salford	50	£34,600
Stockport	17	£7,000
Tameside	30	£24,000
Warrington	41	£28,000
Wigan	51	£9,000

Another issue relating to costs of the scheme was that if a discount was not awarded, many of these cases would result in additional work activity for social work and Council Tax billing staff, as cases would have been subject to recovery action with Children's Services ultimately picking up costs in some cases.

Based on this data and demand to date, the costs of offering this support based on demand to date suggests that the proposal is affordable and is often balanced out by a reduction costs in other areas included recovery action, letters and customer contact and summons and enforcement costs.

3.3 Revenue Consequences- Manchester

Initial analysis that was done in 2017/18 indicated that the costs of providing this discount could cost £42,000 per year. It was agreed that the costs would be met from the Collection Fund and would reduce the amount of Council Tax funding available to support the revenue budget in the following year.

The actual costs associated with the scheme have been much lower with costs to date of circa £8k per year. The financial impact of extending the provision and age range can be managed within the £42k budget agreed by the Executive in 2017.

3.4 Discussions at AGMA Forum

It was felt by colleagues within the AGMA forum that extending the offer post 21 and up to 25 is the correct approach as this is when many of the care leavers will actually be looking to secure their own home and it is important that our policies support this transition, in terms of sustaining a tenancy and avoiding any additional risks of homelessness.

Another issue that was explored was in relation to care leavers staying within a household or joining a household after their 18th birthday and the impact that this could have on the householder's bill. In some cases this could result in the loss of a single person discount. It was agreed that this should be captured and amended so that a householder did not lose their Council Tax discount as a result of a care leaver either staying with, or joining, the household after their 18th birthday.

Members of the forum also agreed that the standard financial offer across Greater Manchester should include that care leavers are recognised as a specific, vulnerable group within all other financial policies including, welfare support/provision policy, discretionary Council Tax payments or costs write off policy and the discretionary housing payments policy where appropriate.

At the meeting of 15 June 2018, all AGMA Revenues and Benefits Heads of Service agreed the following proposal and suggested that this should be submitted to Greater Manchester Association of Metropolitan Treasurers (GMAMT) for endorsement of a consistent and reciprocal agreement and policy.

This proposal will be considered at GMAMT in August 2018. If supported, treasurers will take this back to their respective councils through the formal decision making and sign off process.

4. Legal Considerations

4.1 Legislation in respect of looked after children and care leavers

There are a number of pieces of legislation and statutory guidance that set out the role of the local authority in respect of looked after children and care leavers.

There are statutory obligations and guidance for the role of the Local Authority as the Corporate Parent in the Children's Act 1989 and 2004, the Children and Young People Act 2008 and the Children and Social Work Act 2017.

There are also specific duties:

- The Care Planning, Placement and Case Review (England) Regulations 2010 (the 2010 Regulations)
- The Care Leavers (England) Regulations 2010 (the Care Leavers Regulations)

4.2 Council Tax Legislation

Covered within the body of the report

4.3 Equality Impact Assessment

As a public body the Council has a number of statutory duties under equalities legislation. These are often referred to as the Public Sector Equality Duties (PSED). The PSED require the Council, through its decision making process, to give due regard to the need:

- To eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act;
- To advance equality of opportunity between people who share a protected characteristic and those who do not;
- To foster good relations between people who share a protected characteristic and those who do not.

This involves in particular having due regard, to the need to:

- Tackle prejudice; and
- Promote understanding

The protected characteristics are age, disability, gender re assignment, pregnancy, maternity, race, religion or belief, sex and sexual orientation. The Equality Act explains that having due regard for advancing equality involves:

- Removing or minimising disadvantages suffered by people due to their protected characteristics
- Taking steps to meet the needs of people from protected groups where these are different from the needs of other people. Particular attention needs to be paid to the needs of disabled people in taking account of this requirement.
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low

Although the care leaver cohort is not recognised as a protected characteristic, compliance with the duties may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under the Act.

A child or young person may come into care as a result of temporary or permanent problems facing their parents, as a result of abuse or neglect, or as a result of a range of difficulties, including not having a parent to care for them. National research indicates that this group of young people is significantly disadvantaged in a range of outcomes compared to their peers.

In accordance with our equality duty, this proposal will result in more favourable treatment being applied to care leavers living in the city in order to advance equality of opportunity, with the overall aim of removing financial barriers, resulting in increased opportunities for employment, education and or training as well as increase financial well-being and inclusion.

5. Next steps and formal recommendation

Scrutiny Committee is requested to note and comment upon the contents of the report and the steps being taken to support care leavers living in the city.

Executive is requested to agree the following:

That the Council supports the proposal set out in the proposed AGMA protocol and the following changes are made and agreed to Manchester City Council policies.

For any bills or charges relating to the 2018/19 financial year, the Council will award a Council Tax discount to care leavers of up to 100% of the Council Tax that is due, subject to the following points:

- This discount will apply until the care leaver reaches their 25th birthday.
- If the care leaver is joint and severally liable or becomes a member of a household where an exemption or discount is in place, such as a Single Person Discount or Student Exemption, the presence of the care leaver should be ignored so that the exemption/discount is not affected.
- Care leavers up to aged 25 to be included as a specific vulnerable group in the Council's discretionary financial support policies including the Welfare Provision Scheme, the Discretionary Council Tax Support Scheme and the Discretionary Housing Payment scheme.
- For the purposes of this report, a care leaver is defined as an individual whom a Council has Corporate Parent responsibilities for. This includes a person who is currently resident in the Manchester area and has been in the care of a local authority (looked after) for at least 13 weeks since the age of 14 and who was in care on their 16th birthday.
- The decision is effective from the beginning of the 2018/19 financial year and, as such, any awards would be backdated to 1 April 2018 where appropriate. Care leavers who become responsible for Council Tax after this date will be granted the discount from the date of occupation.
- The Council has discretion to backdate the care leavers discount to April 2017 and this discretion is delegated to the Director of Customer Services and Transactions or their nominated representative. Each request will be considered on its own merits.

A copy of the new policy document to support this scheme is attached as appendix one.

Manchester City Council

Council Tax Discount for Care Leavers Policy

Guidelines for the Award of Council Tax Discounts of up to 100% of the Council Tax due for Care Leavers between 18 and 24 (up to the date of the 25th birthday)

Council Tax Discount for Care Leavers Policy

July 2018

1. Introduction and scope

This Council has determined that it will provide 100% discount from the payment of Council Tax to care leavers up to age 25 (between aged 18 and 24 up to the date of the 25th birthday) who live in Manchester.

The Council has the discretion to reduce Council tax liability for individuals or prescribed groups. This discretion is exercised in accordance with Section 13A (1) (C) of the Local Government Finance Act 1992.

The Council has determined that it will exercise its discretionary powers to support care leavers by offering a Council Tax discount of up to 100% for care leavers living in the city.

If the care leaver is joint and severally liable or becomes a member of a household where an exemption or discount is in place, such as a Single Person Discount or Student Exemption, the presence of the care leaver should be ignored so that the exemption/discount is not affected.

Providing this support would help care leavers manage the social and financial transition from local authority care to independent living.

2. Qualifying Criteria

For the purposes of this report a care leaver is defined as a person who is currently resident in the city with a Council Tax liability and has been in the care of a local authority (looked after) for at least 13 weeks since the age of 14 and who was in care on their 16th birthday.

The property where the discount is awarded must be the care leaver's sole or main residences as defined in Council Tax legislation.

Local authorities must plan for looked after children so that they have the support they need as they make their transition to the responsibilities of adulthood. The local authority's responsibility to care leavers extends until they reach the age of 25.

3. Discount scheme

The Council Tax discount for care leavers' post 21 and up to aged 25 will take effect from 1 April 2018. Care leavers who become responsible for Council Tax after this date will be granted the discount from the date of occupation.

The Council has discretion to backdate the care leavers discount to April 2017 and this discretion is delegated to the Director of Customer Services and Transactions or their nominated representative. Each request will be considered on its own merits.

The discount will be awarded after all other discounts, exemptions (for example student discount) and Council Tax Support have been awarded.

Where there is a shared liability for the Council Tax due the discount will only be paid to cover the share that the looked after person would be liable for.

The level of discount applied will be 100% of Council Tax liability after any entitlement to any national reliefs, exemptions or other discounts including entitlement to Council Tax Reduction have been calculated and awarded.

If subsequent to an award, the care leaver's liability for Council Tax reduces during the period of the award, for example if the care leaver becomes entitled to a single person discount, the care leaver's discount will be amended to ensure the award does not exceed the care leaver's Council Tax liability.

Where awarded, the discount will remain in force until the care leaver reaches the age of 25 years or ceases to become responsible for Council Tax whichever date occurs first. In these circumstances the annual bill is apportioned.

When a discount has been given, a Council Tax bill will be issued showing the detail. If a discount request is refused, a letter will be issued outlining the reasons why it has been refused.

4. Right of Appeal

Under Section 16 of the Local Government Finance Act 1992, there is a right of appeal if a person applying for a discretionary reduction under Section 13a (1) (c) is not happy with the Council's decision. The appeal must be in writing to the Revenues and Benefits service. The Council will then reconsider the discount request, together with any additional information provided, against the policy criteria.

If the original decision is upheld and the applicant remains dissatisfied, or the Council does not make a decision within two months, there is a further right of appeal to the Valuation Tribunal. The Valuation Tribunal for England is an independent body which adjudicates on disputes between taxpayers and the Council. Appeals must be made directly to the Valuation Tribunal.

5. Policy review

The Council will review the Council Tax Discount for Care Leavers Policy on an annual basis but the Council reserves the right to review and revise the policy at any time as a result of information gained as a result of operating the policy.

The City Treasurer in conjunction with the Executive Member for Finance and Human Resources are authorised by the Council to agree any revisions to the policy.