
Report To:	The Inverclyde Council	Date:	30 November 2017
Report By:	Chief Financial Officer	Report No:	FIN/101/17/AP/FM
Contact Officer:	Fiona Maciver	Contact No:	01475 712904
Subject:	Exemption from Council Tax - Care Leavers		

1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Council of the current practicalities of implementing a policy to exempt young care leavers from Council Tax effective from the 2018/19 Council Tax year.

2.0 SUMMARY

- 2.1 The First Minister recently announced plans to exempt care leavers from Council Tax. It is understood the intention is to enact this from April 2018. At the recent Policy & Resources Committee officers were asked to report to this meeting of The Council outlining the issues were the Council to implement this Policy.
- 2.2 The Scottish Government plans to use the legal definition which is in the Children and Young People (Scotland) Act 2014 that will give young care leavers the same status as students with regard to exemption from Council Tax and Water and Sewerage charges.
- 2.3 Some Councils have investigated implementing this change before new legislation is passed and have looked at the Local Government Finance Act 1992, 108 (A) which covers special grants and whether powers can be utilised to grant. Legal Services have confirmed that this Act does not provide Scottish Councils with any discretionary powers to exempt care leavers from paying Council Tax.
- 2.4 It is known that individuals leaving care can be faced with many challenges and are particularly vulnerable when it comes to the financial demands of independent living. Inverclyde's Health and Social Care Partnership (HSCP) through Aftercare Services and in partnership with other stakeholders provide valuable support to care leavers in Inverclyde. The Council has signed up to the Care Leavers Covenant and the proposed Policy would fit well with the principles of Care Proofing and the Assumption of Entitlement. More detail on the support provided is described later on in this report.
- 2.5 The Scottish Government has looked at the available statistics which are very limited and based on a 'best' estimate of numbers and cost, has arrived at an estimated cost of between £1m - £1.5m. It is further estimated that there will be approximately 60 care leavers in Inverclyde who have a Council Tax liability which could cost the Council up to £50,000/ year in reduced Council Tax income. To date, the Scottish Government has not indicated that Councils will receive funding to implement this change.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Council notes the current lack of legal powers for it to implement Council Tax exemption for Care Leavers and also the potential cost to the Council in the event that this Policy is not fully funded by the Scottish Government.

- 3.2 It is recommended that the Council notes that officers will continue to gather information on potentially eligible care leavers on the basis that the announced Policy will come into effect from April 2018.
- 3.3 It is recommended that the Council decides whether it wishes to make provision within the Revenue Budget to fund Council Tax exemption for Care Leavers at an estimated cost of up to £50,000/year in the event that the Policy comes into effect from 2018/19 and that no extra funding is forthcoming from the Scottish Government.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 On 10 October 2017 at the SNP Autumn Conference the First Minister announced that the Scottish Government is to change the law to exempt young care leavers from Council Tax and has stated that it plans to introduce this for the 2018/19 Council Tax year.
- 4.2 It is known that individuals leaving care are faced with many challenges and are particularly vulnerable when it comes to the financial demands of independent living.
- 4.3 The Scottish Government plans to use the legal definition which is in the Children and Young People (Scotland) Act 2014 and will give young carer leavers the same status as students with regard to exemption from Council Tax and Water and Sewerage charges. This means that the same rules would apply; for instance, if the leaver is a sole occupier then this will be treated as an exempt dwelling. This would also mean that if another person is occupying the property and has a single person discount then this is not affected were a care leaver to reside in the property as well.
- 4.4 Some Councils have investigated implementing this change before new legislation is passed and have looked at the Local Government Finance Act 1992, 108 (A) which covers special grants and what, if any, powers can be utilised to grant discounts/exemption. Several English Councils have applied discounts/exemptions to care leavers as the Local Government Finance Act 1992 13 (A) allows them to do so. Inverclyde's Legal Services have confirmed that this Act does not provide Scottish Councils with any discretionary powers to exempt care leavers from paying Council Tax.
- 4.5 Inverclyde's Health and Social Care Partnership (HSCP) through Aftercare Services and in partnership with other stakeholders provide valuable support to care leavers in Inverclyde. In addition, the Council signed up to the Care Leavers Covenant in 2015. A greater understanding of the needs of this group has led to a marked reduction in homelessness, particularly those within the 16-19 year group. Care leavers who reside independently in their own tenancies are provided with intensive support by Throughcare Practitioners. The tasks that are carried out include the following:
 - Preparation/skills development – basic household tasks such as managing own door and budgeting limited income
 - Support to make applications to local RSLs via online or visit to the RSL; the most commonly used are River Clyde Homes (RCH) or those RSL's on the Inverclyde Common Housing register, all of which use choice based letting therefore some young people require additional support to make appropriate bids for housing to ensure that the area of choice will meet their needs.
 - attend viewings with young people to ensure the housing needs are met and liaise with the RSL with regard to repairs etc prior to signing for the house
 - provide financial support to purchase essential furnishings etc and oversee the spending with the young person. The average spend is between £2800-£3100
 - make contact with energy suppliers and I Heat to ensure heating/lighting costs are affordable
 - link with additional supports via RCH to utilise the services of the extra care/sustainment team
 - maintain regular contact and liaise with other support services
 - support young people to claim appropriate benefits and once claims are in place particularly for Universal Credit (UC) provide ongoing support such as completing UC journals
 - maximise income through appropriate signposting for example to Advice First.

5.0 POTENTIAL NUMBERS AND COST

- 5.1 The Scottish Government has looked at the available statistics to come up with a 'best' estimate of numbers and cost and estimates there are around 5-6,000 young care leavers in Scotland, however it is likely that only a minority will have a Council Tax liability and as a result have arrived at a cost of between £1m - £1.5m per year. Based on the estimates for Inverclyde noted in the

next paragraph, then this cost is underestimated.

- 5.2 It is estimated that there are in the region of 252 care leavers aged 16-25 currently in Inverclyde of which it is further estimated that of that in the region of 60 will have Council Tax liability. If an assumption is made that all or the majority of young people will reside in a Band A property with a current annual charge of £798.67, the cost to Inverclyde could be as high as £50,000/year. Many new Registered Social Landlord properties in Inverclyde are Bands C and D which would add approximately £300 more per tenancy above Band A. CoSLA has advised that at present Government Officers have not committed to funding this initiative.
- 5.3 The practicalities of implementing such an exemption would be complex; identifying and verifying relevant care leavers could be difficult for example, where young persons were in care outwith Inverclyde and now reside here. A young person is defined as being between 16-25 years of age but it has not been made clear as to what parameters will be applied. For example a 22 year old finds full time, reasonably paid employment, does the exemption still apply? It is hoped that when the legislation is developed that it addresses these and other issues.

6.0 IMPLICATIONS

6.1 Finance

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (if Applicable)	Other Comments
Council Tax Income	Tax Income	2018/19	Up to 50		Actual cost depends on the level of SG financial support.

6.2 Legal

The Head of Legal & Property Services has been consulted.

6.3 Human Resources

There are no Human Resource issues to consider.

6.4 Equalities

Has an Equality Impact Assessment been carried out?

Yes See attached appendix

No This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

6.5 Repopulation

There are no repopulation issues to consider.

7.0 CONSULTATIONS

7.1 This report has been prepared in consultation with officers from the HSCP.

8.0 LIST OF BACKGROUND PAPERS

8.1 None

Equality Impact Assessment

This document should be completed at the start of policy development or at the early stages of a review. This will ensure equality considerations are taken into account before a decision is made and policies can be altered if required.

SECTION 1 - Policy Profile

1	Name/description of the policy, plan, strategy or programme	Proposal to exempt young care leavers from Council Tax with effect from 2018/19.
2	Responsible organisations/Lead Service	Inverclyde Council, Finance Services
3	Lead Officer	Fiona Maciver, Revenues and Customer Services Manager
4	Partners/other services involved in the development of this policy	Scottish Government
5	Is this policy:	New <input checked="" type="checkbox"/> Reviewed/Revised <input type="checkbox"/>
6	What is the purpose of the policy (include any new legislation which prompted the policy or changes to the policy)?	To make care leavers exempt from Council Tax with effect from 2018/19.
7	What are the intended outcomes of the policy?	To help alleviate the financial demands on care leavers when they live independently.
8	Geographical area (Inverclyde wide or a specific location)	Inverclyde wide.
9	Is the policy likely to have an impact on any of the elements of the Council equality duty (if yes, please tick as appropriate)?	<input type="checkbox"/> Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010 <input checked="" type="checkbox"/> Advance equality of opportunity between people from different groups <input type="checkbox"/> Foster good relations between people from different groups
10	Will those who may be directly or indirectly affected by this policy be involved in its development?	

SECTION 2 – Impact on Protected Characteristics

Which of the protected characteristics will the policy have an impact upon? (see guidance for examples of key considerations under each characteristic)

Protected Characteristic	Impact					Reason/Comments
	Positive High	Positive Low	Neutral	Negative High	Negative Low	
Age	X					People aged 16-25 years who are care leavers.
Disability						
Gender reassignment						
Marriage and civil partnership						
Pregnancy and maternity						
Race						
Religion or belief						
Sex (male or female)						
Sexual orientation						
Other groups to consider (please give details)						

SECTION 3 – Evidence

What evidence do you have to help identify any potential impacts of the policy? (Evidence could include: consultations, surveys, focus groups, interviews, projects, user feedback, complaints, officer knowledge and experience, equalities monitoring data, publications, research, reports, local, national groups.)

Evidence	Details
Consultation/Engagement (including any carried out while developing the policy)	
Research	Some councils have investigated implementing the proposed change before new legislation is passed and have looked at The Local Government Finance Act 1982, 108 (A) which covers special grants and whether powers can be utilised to grant exemptions. However, Legal and Property Services have confirmed that the Act does not provide Scottish councils with discretionary powers to exempt care leavers from paying Council Tax.
Officer's knowledge and experience (including feedback from frontline staff).	It is known that individuals leaving care can face many challenges and are particularly vulnerable when it comes to the financial demands of independent living.
Equalities monitoring data.	In Inverclyde, it is estimated that there are currently around 252 care leavers aged 16-25 years, of which approximately 60 have Council Tax liability.
User feedback (including complaints)	
Stakeholders Other	In October 2017, the Scottish Government announced that the law will be changed to exempt young care leavers from Council Tax with effect from the 2018/19 financial year.

<p>What information gaps are there?</p>	<p>The practicalities of exemptions would be complex, for example, identifying and verifying relevant care leavers who were in care out with Inverclyde and now reside here.</p> <p>The actual cost of implementing the change depends on the level of Scottish Government financial support.</p>
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SECTION 4 – CONSEQUENCES OF ANALYSIS

<p>What steps will you take in response to the findings of your analysis? Please select at least one of the following and give a brief explanation.</p>		
<p>1. Continue development with no changes</p>		
<p>2. Continue development with minor alterations</p>		
<p>3. Continue development with major changes</p>	<p>X</p>	<p>More information is awaited from the Scottish Government.</p>
<p>4. Discontinue development and consider alternatives (where relevant)</p>		
<p>How will the actual effect of the policy be monitored following implementation?</p>		
<p>By monitoring uptake of the Council Tax exemptions.</p>		
<p>When is the policy due to be implemented?</p>		
<p>From the financial year 2018/19.</p>		
<p>When will the policy be reviewed?</p>		
<p></p>		

What resources are available for the implementation of this policy? Have these resources changed?

Officer time and Council ICT systems. The actual cost of implementing the policy will depend on the level of Scottish Government financial support.

Name of Individual(s) who completed the Assessment

Name(s): Fiona Maciver

Position: Revenues and Customer Services Manager

Date: 21 November 2017

Authorised by

Name:

Position:

Date:

Please send a copy of all completed forms to Karen Barclay, Corporate Policy Officer at karen.barclay@inverclyde.gov.uk