

Report title	Supporting Care Leavers with Council Tax Discretionary Relief	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Obaida Ahmed Resources and Digital	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Claire Nye, Director of Finance	
Originating service	Revenues and Benefits	
Accountable employee	Jenny Hoare Tel Email	Revenues and Benefits Manager 01902 551072 Jenny.hoare@wolverhampton.gov.uk
Report to be/has been considered by	Finance Leadership Team Strategic Executive Board	19 July 2022 25 July 2022

Recommendation for decision:

The Cabinet is recommended to:

1. Approve an extension of the Council Tax Discretionary Discount Scheme (CTDDS) to allow a 100% discount to be awarded to care leavers up to the age of 25 from outside the City of Wolverhampton who are now resident and have a liability to pay Council Tax in Wolverhampton.

1.0 Purpose

- 1.1 This report seeks approval for an extension of the Council Tax Discretionary Discount Scheme (CTDDS) to allow a 100% discount to be awarded to care leavers up to the age of 25 from outside the City of Wolverhampton who are now resident and have a liability to pay Council Tax in Wolverhampton.

2.0 Background

- 2.1 The Council has continually sought to help those who need us most. One of the ways that residents have needed support is in respect to financial hardship. The CTDDS provides a discretionary reduction in the amount of council tax that a household is required to pay.
- 2.2 Council approved a new expanded CTDDS in May 2021, which has seen an increase in the number of applications and value of awards being made to support residents with their council tax liability.

	Care Leavers	General Hardship
2020-2021	£147,001	£253
2021-2022	£170,532	£48,602
2022-2023	£182,648	£54,947
2023-2024	£165,551	(to 30/6/23) £30,249

- 2.3 The Council's Corporate Parenting Strategy for Looked After Children articulates a commitment to improving outcomes for looked after children and to narrowing the gap between them and their peers.
- 2.4 Care leavers generally live independently at a much younger age than their peers, and often become responsible for their finances without a family support network to rely on. This increases the risk of financial vulnerability often leading to problems with debts and areas.
- 2.5 The existing CTDDS provides 100% discount for care leavers, whose corporate parent is the City of Wolverhampton Council, but currently excludes those care leavers who originate from different council areas and have chosen to live in Wolverhampton.
- 2.6 The Government issued guidance, Council Tax Information Letter - 1/2021, which recommends that authorities consider whether a council tax reduction should "follow" a care leaver if they move to a different area.
- 2.7 In addition to this, Commons Library Research Briefing, 20 October 2022, reported the following about the impact of the cost of living:
- Concerns raised over the impact the increased cost of living was having on care leavers. It also highlighted factors which may cause the cost of living to "hit young care leavers particularly hard".

- Financial independence: care leavers are expected to be financially independent from the age of 18, whereas young people more generally are now not leaving the family home until the age of 24.
- Mental health concerns: nearly half of looked after children meet the criteria for a psychiatric disorder (compared to 1 in 10 children generally).
- Poorer support networks: care experienced young people generally have a poorer support network, meaning they have few people to turn to when in financial crisis.
- Digital Poverty: care leavers choosing between purchasing food and Wi-Fi. Digital access is vital to engaging with education, employment, health services and to staying connected with family and friends.
- Under 25 Universal Credit Rates: care experienced young people under 25-year-olds are only eligible for the Under 25 Universal Credit rates, despite having to manage household bills.

2.8 Enquiries have been undertaken with neighbouring councils across the West Midlands, who whilst providing for care leavers for whom they were corporate parents a 100% council tax discount until the age of 25, they do not currently provide or make discretionary awards for care leavers who have moved into their area.

2.9 There is a lack of data regarding the potential number of care leavers living within City of Wolverhampton (only 3 are currently known to this council), for whom Wolverhampton are not the corporate parent, however, it is estimated that numbers are likely to be limited. The table below demonstrates that if there were 20 care leavers in a Band A property with single person discount (25%) applied, the cost of the additional relief would be £21,845.70. It is anticipated that costs at this level could be accommodated within existing budgets.

2023 - 2024	Annual Charge	75% sole resident
Band A charge	1,456.38	1,092.29
10 households	14,563.80	10,922.85
20 households	29,127.60	21,845.70

3.0 Change recommended to CTDDS.

3.1 The following change is recommended to provide additional support to residents who are liable for Council Tax:

Support care leavers living within City of Wolverhampton, irrespective of their corporate parent, with 100% council tax discount until they reach the age of 25.

4.0 Evaluation of alternative options

- 4.1 The alternative option is to make no change to the existing CTDDS. This has been considered and discounted due to the negative impact it would have on those individuals who are trying to settle within the Wolverhampton area.

5.0 Reasons for decision

- 5.1 Council Tax is a priority debt and failure to pay may lead to further financial pressure and indebtedness for care leavers who move to the city. The City of Wolverhampton Council's Financial Wellbeing Strategy sets out the long-term vision for our city, working with partners to improve the lives of all those living in Wolverhampton.
- 5.2 The decision to support all care leavers with 100% discount until the age of 25 puts them on a fairer footing with other young people who would generally become financially independent at the age of 25.
- 5.3 Care leavers are likely to be in receipt of a low income and therefore would normally be eligible for council funded council tax support. This will reduce the nett impact of extending the policy.

6.0 Financial implications

- 6.1 The 2023-2024 net budget for the Council Tax Discretionary Discount Scheme (CTDDS) totals £500,000.
- 6.2 It is anticipated that the extension of the policy will be met from existing budget provision for Care Leavers.
[LD/13072023/F]

7.0 Legal implications

- 7.1 The Local Government Finance Act 2012 introduced Section 13A (1)(c) Local Government Finance Act 1992 which provides the Council with additional discretionary powers to reduce a person's council tax liability.
[SZ/10072023/P]

8.0 Equalities implications

- 8.1 An equality analysis has been carried out in respect of the proposed changes to the CTDDS. No adverse equality implications were identified.
- 8.2 Equalities considerations will be included in the monitoring of the policy to ensure that it will demonstrate the approach taken is applied fairly and equally. In this way Councillors can be confident that the approach will meet the requirements of the Public Sector Equality Duty as established by the Equality Act.

9.0 All other implications

- 9.1 None

10.0 Schedule of background papers

10.1 [1/2021: Council Tax information letter - 13 January 2021 \(publishing.service.gov.uk\)](#)

10.2. [Support for care leavers - House of Commons Library research briefing](#)

11.0 Appendices

11.1 Appendix 1: Draft Council Tax Discretionary Discount Scheme Policy