

This Report will be made public on 1 December 2020



Report Number **C/20/56**

To: Cabinet
Date: 9 December 2020
Status: Non key
Responsible Officer: Charlotte Spendley, Corporate Service Director
Cabinet Member: Councillor Tim Prater

SUBJECT: **ADDITIONAL COUNCIL TAX SUPPORT FOR KENT COUNTY COUNCIL CARE LEAVERS**

SUMMARY: This report outlines the proposal to support individuals who have left the care of Kent County Council, who live in the Folkestone & Hythe District with Council Tax until the age of 25.

REASONS FOR RECOMMENDATIONS:

To consider proposals to amend the Council's Financial Support Scheme to include additional support for Kent County Council care leavers aged 22 to 25.

RECOMMENDATIONS:

1. To receive and note report C/20/56.
2. To agree to the proposed change to the Council's Financial Support scheme.

1. BACKGROUND

- 1.1** From 1st April 2020 Kent County Council (KCC), in their role as a Corporate Parent, have funded Council Tax payments where young people who are care leavers are eligible to pay. This would be for young people who are Kent Care Leavers aged 18-21 years, wherever they are living.
- 1.2** The bills for those Care Leavers aged 18 to 21 that are responsible in full for their bill will be paid by KCC.
- 1.3** As identified in Council Extraordinary Meeting, Opposition Business (21 October 2020) there is currently no specific support for care leavers aged 22 to 25 with regards to Council Tax. It was resolved to consider assessing options to consider exempting or significantly reducing the amount of Council Tax due by young people, who have left the care of Kent County Council between the ages of 22-25 who currently reside in the district of Folkestone and Hythe.

2. OPTION FOR FURTHER SUPPORT

- 2.1** The Council currently maintains and administers its local Financial Support Payment (FSP) scheme for residents in receipt of Council Tax Reduction but who require further financial support. This is to provide further assistance where an applicant is in receipt of Council Tax Reduction but the level of support being paid by the Council does not meet their full Council Tax liability. An applicant would need to be in receipt of Council Tax Reduction to qualify for this payment which would indicate that they are a low earner. This would satisfy the requirement of an applicant requiring further support.
- 2.2** It is proposed that the current scheme is amended to allow for the circumstances that if a care leaver is in receipt of Council Tax Reduction, the remaining balance of the annual bill would be covered under the FSP scheme. The applicant would need to apply for the support and provide evidence of their care leaver status.
- 2.3** Changes to the scheme are identified in Part 11 of the scheme (Appendix A).

3. POTENTIAL COST

- 3.1** FSP falls within Section 13A (1) of the Local Government Finance Act 1992 and forms part of the Council Tax Reduction scheme. A pre-requisite to receive an award is that an application for Council Tax Reduction has been made.
- 3.2** Any awards made will be funded through the collection fund. Costs are therefore shared with preceptors. It should be noted that the introduction of the Policy was supported in principle by Kent County Council in their feedback to the Council Tax Reduction Scheme Consultation.

- 3.3** Exact data on qualifying care leavers in the district is not held by the Council or readily available. However, some data can be extracted from a KCC report regarding '*Funding for Council Tax payments for Kent young people who are Care Leavers aged 18-21 years*' (Appendix B).
- 3.4** Indications from KCC data available state that of the 201 care leavers aged 22 to 25 that are engaged with the service (working with the KCC care leavers support service), 113 are paying Council Tax with an estimated amount of £85,236.
- 3.5** On these assumptions, if they were evenly split across the county that would place approximately 11 in Folkestone & Hythe District.
- 3.6** Similarly if the estimated cost from KCC was to be divided by 10 this would place the estimated charge for Folkestone & Hythe at £8,523.60 (FHDC share £1,445).
- 3.7** KCC also state that there are a number of care leavers not engaging with their service, however, if a discount was offered many may re engage. Indications from KCC data available state that there are 1,264 former care leavers not currently engaging with them but are eligible to return and receive a service.
- 3.8** Based upon these assumptions, if this was evenly split across the county that would place approximately 126 in Folkestone & Hythe District.
- 3.9** KCC estimate the cost to be £1,261,472 if all of these care leavers were paying Council Tax. If estimations were to be made of the same county split as detailed above and if half of the disengaged care leavers were to receive an award this could cost an additional £63,074 (FHDC share £10,691). If 100% of the estimate were to receive an award this could be £126,147 (FHDC share £21,382).

All figures are estimates as there is no concrete method to estimate levels of interest if such a scheme were to be introduced.

4. ADMINISTRATION

- 4.1** Applications would also be administered by the Council's Welfare Team who would be able to offer further support as required. This would be reviewed annually to ensure that the support is still appropriate.
- 4.2** The time and cost of administration based upon the expectation of KCC's projected numbers is expected to be manageable within the Welfare Team. A new form would need to be designed and published to enable applicants to access the support.

5. RISK MANAGEMENT ISSUES

- 5.1** These are set out below.

Perceived risk	Seriousness	Likelihood	Preventative action
100% of care leavers apply for support	Medium	Low	If every care leaver applied for support each case would be reviewed based upon their circumstances. They would need to be on a low income (and in receipt of Council Tax Reduction)

6. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

6.1 Legal Officer's Comments

Under section 13A of the Local Government Finance Act 1992 the Council has the discretionary power to reduce liability for council tax in relation to individual cases or class(es) of cases that it may determine where national discounts and exemptions cannot apply.

6.2 Finance Officer's Comments

Council Tax reliefs awarded via Section 13A are charged to the General Fund. There is no current budget provision for the potential costs outlined in this report. If approved any financial implications for 2020/21 would be reported as part of the budget monitoring process and estimated costs for 2021/22 would be factored into the detailed budget setting process.

6.3 Diversities and Equalities Implications

This report is beneficial for KCC care leavers.

7. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting

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The following background documents have been relied upon in the preparation of this report:

Appendices:

Appendix A: Proposed Financial Support Payment scheme

Appendix B:

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