

## Care Leavers and Council Tax Exemption

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The issue of financial hardship and the impact of poverty on care leavers is well documented. Care leavers are a particularly vulnerable group when it comes to financial hardship. Leaving home at a much earlier age than the general population, care leavers are much more likely to encounter the effects of debt and poverty, lacking the safety net of the 'bank of mum & dad' which others may take for granted.

Two recent reports by The Children's Society, '[Wolf at the Door](#)' and the '[Cost of Being Care Free](#)' both demonstrate the financial vulnerability of care leavers. Care leavers are much more likely to be unfairly sanctioned by DWP; local authorities can be the worst creditors for care leavers to owe money to, for example in relation to council tax and rent arrears; and the variability of support means that the future life chances of care leavers are dependent on which local authority they were in care to.

Often, when care leavers move into independent accommodation they begin to manage their own budget fully for the first time. The '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 care leavers as falling slightly behind can very quickly escalate to a court summons and enforcement action being taken.

### England

In England, the Children's Society have been working closely with Councils to encourage them to exempt care leavers from council tax until the age of 26 and this is beginning to slowly gain traction south of the border. The idea originally came from [New Belongings Initiative](#) and has been promoted through [National Leaving Care Benchmarking Forum](#), and exemption from council tax was something argued for as part of the local application of [Access All Areas](#) i.e. the policies that authorities have control over to make exemptions. There is UK [parliamentary support](#) for this and council tax exemption is in the cross- departmental care leaver strategy, the draft local offer for care leavers, and the Department for Communities and Local Government have written to all local authorities in England reminding them that they have the power to exempt care leavers from council tax.

So far, around 25 local authorities have exempted care leavers, including:

- [Cheshire East](#)
- Birmingham
- Milton Keynes
- [North Somerset](#)
- [Wolverhampton](#)
- Islington
- [Hammersmith and Fulham](#)

The Children's Society have pushed for this to be introduced nationally through the Children and Social Work Bill, but the UK governments position is that local authorities in England already have the existing powers to exempt care leavers should they wish. They have also begun conversations with the Welsh Government and while these have started positively, they are still at an early stage there. The financial implications for local authorities are arguably negligible, for example estimates from the English local authorities to exempt **all** their care leavers up to the age of 26 range between £17k to £58k per year.

## Scotland

Council Tax powers in Scotland, including exemptions, are determined through national legislation by the Scottish Government, namely the [Local Government Finance Act 1992](#). However, Council Tax is set, administered and collected by local authorities and forms part of their funding. Regulations are in place which cover all aspects of the Tax. In short, it would appear at this time local authorities do not have delegated powers to exempt care leavers from paying council tax. The Scottish Government has overall responsibility for making the [regulations](#) for the [Council Tax Reduction](#) scheme and it is for each Local Authority to administer it for their area

In order to effect any exemption for care leavers as a group, and to ensure it is available nationally rather than adding to local variation of provision which exists at the moment, it would appear to require a change in regulation agreed at Ministerial/Government level. This would then enable Local Authorities to exempt care leavers from council tax under their corporate parenting responsibilities.

The principles for pursuing this change are clearly outlined in the [Scottish Care Leavers Covenant](#):

- **Care-proofing of policy:** Corporate parents recognise the vulnerability of care leavers as young adults, and prioritise and reference them in policy documents. Given the inequalities in opportunity encountered by care leavers, corporate parents will treat them as a 'protected group' with the potential impact of changes to policy measured through Equality Impact Assessments
- **Assumption of entitlement:** Corporate parents will assume all care leavers are entitled to services, support and opportunities, up to their 26th birthday. Where discretion exists in definitions of vulnerability, or in giving priority access, these will be in favour of care leavers. This includes access to bursaries and grants;

access to employment or training support and provisions; housing and accommodation options; health services; leisure, cultural and recreational opportunities with access to 'second- chance' opportunities.

Over half of Scotland's local authorities have now signed up corporately to endorse the principles and implement the actions outlined in the Scottish Care Leavers Covenant. The Covenant has also been endorsed by a number of individual MSP's from all the main political parties. As such, it may be anticipated that there would be significant political support to take the necessary practical steps to ensure that Scotland's care leavers benefit from the same financial arrangements in relation to council tax exemption as in other parts of the UK.

The operation of Champions Boards within local authority and CPP areas offer very real opportunities for looked after young people, care leavers and corporate parents to work together, to create positive change locally. However, they also offer opportunities to advocate for change at national level, for example by removing national bureaucratic or legislative barriers, to enable progressive change to be implemented locally. Amending existing regulations at national level to empower local authorities to exempt their care leavers from council tax payments would be very positive step in addressing the very real issues of poverty and debt which blight the lives of far too many of our care leavers.

This paper is offered as a starting point to consider how best to adopt a clear, coordinated and effective approach ensuring these changes are effected, and that the unnecessary impact of debt accumulation and poverty on our care leavers is alleviated wherever possible.

CEL CIS, based at the University of Strathclyde in Glasgow, is committed to making positive and lasting improvements in the wellbeing of Scotland's children living in and on the edges of care. Ours is a truly collaborative agenda; we work alongside partners, professionals and systems with responsibility for nurturing our vulnerable children and families. Together we work to understand the issues, build on existing strengths, introduce best possible practice and develop solutions. What's more, to achieve effective, enduring and positive change across the board, we take an innovative, evidence-based improvement approach.

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