

11 November 2020		ITEM: 12 Decision: 110536
Cabinet		
Council Tax Exemption for Foster Carers		
Wards and communities affected: All	Key Decision: Key	
Report of: Councillor James Halden – Portfolio Holder Childrens and Adult Social Care		
Accountable Assistant Director : Joe Tynan - Interim Assistant Director for Childrens Social Care and Early Help		
Accountable Director: Sheila Murphy - Corporate Director of Childrens Services		
This report is Public		

Executive Summary

This report sets out the proposal for implementing a Council Tax exemption scheme for Thurrock Council's internal foster carers and connected persons / kinship carers who live in Thurrock.

1. Recommendation(s)

- 1.1 For members to recommend that the introduction of a Council Tax exemption scheme starting in April 2021 (2021/2022 financial year) as outlined in section 3 in this report is considered by Cabinet.**

2. Introduction and Background

- 2.1 Council Tax Benefit is means tested and generally has the same conditions to qualify as Housing Benefit (HB). Any fostering allowances are not eligible when making a claim for Council Tax Benefit and this includes any reward element that a foster carer is paid for their services. If a sole foster carer is caring for a disabled child, then they may also qualify for a Disability Reduction in their council tax bill of up to 50%.

Council Tax deduction schemes have been implemented within a small number of Councils with a reported positive impact on current foster carers, the recruitment of new foster carers and the transfer of foster carers from Independent Fostering Agencies (IFAs). Upon analysis of the yearly cost of external placements for children and young people, it is evident that Local Authorities are able to save a significant cost by reducing Council Tax

payments from in-house foster carers if the in-house cohort is increased and the IFA placements reduced.

- 2.2 Liverpool is an example of an authority offering council tax exemption. They identified that they needed to recruit 10 additional foster carers to offset the cost of introducing an exemption of council tax for foster carers. Liverpool Council had 8 foster carers from IFA's transferred across to them within the first year of introducing the scheme, therefore almost hitting their target with IFA foster carers alone. The overall positive outcome from introducing this scheme Liverpool Council identified was the positive boost to foster carer's morale after receiving an indirect payment, reflecting the amazing work they do protecting and supporting the City's most vulnerable children and young people. Liverpool Council looked to change their offer to make sure that foster carers only received an exemption once they had a placement, as they experienced carers who did not take a placement but received the exemption.
- 2.3 Thurrock is proposing that to receive the exemption foster carers will need to have consistently had placements for 26 weeks in the first and subsequent year following approval. The following arrangements for council tax exemptions or discounts for foster carers have been identified:
- Cheshire East Council – Full exemption
 - Camden Council – Full exemption for those who live in Camden
 - Waltham Forest Borough Council – 66% off council tax bill if foster carers live in Waltham Forest or a payment is given
 - Redbridge Council – discounted bills for foster carers
 - Wokingham Borough Council - Full exemption
 - Islington – Full exemption
 - Liverpool – Full exemption
- 2.4 In terms of neighbouring authorities, Southend, Essex, Barking and Dagenham and Havering who are our nearest competitors for foster carers, do not currently offer an exemption for Council Tax.
- 2.5 Thurrock Council has invested significantly to support the recruitment and retention of foster carers in Thurrock through the development of a recruitment team and the recent review of payments to foster carers. The proposals within this report aim to build on this investment by improving our offer to Thurrock based foster carers, making us an attractive option and therefore increasing our internal fostering capacity. This would set us apart from competing Local Authorities and Independent Fostering Agencies.
- 2.6 When children are placed in-house with Thurrock carers, our Fostering Team have a good knowledge of their carers' abilities and due to this, know that the children and young people will be provided with stability and good care resulting in good outcomes.
- 2.7 With a council tax exemption we would be sending a message that we value the work Thurrock foster carers do in making a difference to children's lives. If

we can support more people to foster, this will ultimately benefit everyone in Thurrock by reducing costs for expensive out-of-borough care and enabling children to be placed in their home community.

2.8 Council Tax Bands in Thurrock

Valuation band	Council tax 2020/21
Band A	£1,070.22
Band B	£1,248.59
Band C	£1,426.96
Band D	£1,605.33
Band E	£1,962.07
Band F	£2,318.81
Band G	£2,675.55
Band H	£3,210.66

3. Reasons for Recommendation

- 3.1 Thurrock currently has 58 fostering households who are approved by and living in Thurrock. The average council tax cost per annum based on Band D is £1605.33. The proposal is to develop an offer which will help to attract and retain our own foster carers by exempting Thurrock based foster carers from paying council tax whilst looking after children who are resident in their households.
- 3.2 The average cost of an in-house placement for children in Thurrock is £24,544 per annum. The average cost of placing a child in an Independent Fostering Agency (IFA) placement per annum is £44, 408.
- 3.3 If we were to apply a council tax exemption to the 58 fostering households based on Band D it would cost the authority £93,109. If we had an increase of 20 households per year over the next three years that would be an additional cost of £32,107 each year (£96,321 over three years). These figures are a maximum projection and are based on all households that meet the criteria being eligible for a 100% exemption. The additional costs incurred will be offset by reducing Independent Fostering Agency purchases and associated costs through the use of in-house Foster Carers. This proposal will also have the added benefit of creating capacity for more Looked After Children to retain their local links and support networks.
- 3.4 In April 2020, we had 110 active IFA placements with an estimated spend of £92,010 per week. If IFA placements were to remain at this level each year, the approximate spend per year on IFA's would be £4,784,520. The spend for the same number of children placed in-house based on average placement costs would be £51,920 per week (£2,699,840 per annum) a difference of a little over two million pounds per year.

3.5 The table below identifies what additional capacity our recruitment team would need to achieve in order to offset the costs of exempting our current foster carers from paying council tax and a projection over three years to:

Period	Maximum Households eligible	Maximum cost to the LA	Additional built-in fostering capacity	Cost avoidance of not placing with IFA
Current Year	58 households	£93,109	6 children	6 children £119,184
Year 1	20 additional households eligible	£32,107	2 children	2 children £39,728
Year 2	20 additional households eligible	£32,107	2 children	2 children £39,728
Year 3	20 additional households eligible	£32,107	2 children	2 children £39,728
TOTAL by year 3	119	£189,430	12	£238,368

3.6 Recruitment of foster carers is a lengthy process, which can be impacted upon by a number of events such as receiving health checks and DBS checks. The recruitment team actively pursue applications following an expression of interest. Once an application is received an initial visit is carried out with the prospective household. From this appointment to approval can take between 4 and 6 months. Over 50% of assessments are completed within 4 months, inside the national guidelines of 6 months.

3.7 Who would be eligible?

3.7.1 The scheme would not be open to foster carers registered with another agency or local authority, temporary approved foster carers or those in receipt of a zero balance Council Tax bill. Council Tax benefit entitlements will not be impacted upon. This will mean that if a foster carer is already entitled to a 50% reduction in their Council Tax Bill the scheme will cover the other 50%.

The scheme will be open to in-house foster carers who live in Thurrock and;

- are actively fostering
- is actively available to foster
- is a newly registered foster carer following their first placement
- Having reached an average of at least 26 weeks placements for at least one child in a year
- who enter into a 'staying-put arrangement' until the young person reach the age of 21

3.7.2 Thurrock Council cannot exempt foster carers living in other local authority areas from paying their local council tax. However, we wish to match the reward to these carers who are currently registered as Thurrock Foster Carers

who live outside of the Borough and have consistently provided placements, in recognition of their valuable contribution to the care of Thurrock children. This is a transitional arrangement for these foster carers who currently approved to foster by Thurrock. Based on the current numbers and a band D rate in Thurrock, this could potentially have a maximum impact of an additional £46,555 and would be subject to their meeting the criteria. A Financial Relief Payment would be provided to assist with the payment of other local authority Council Tax in line with Thurrock's Council Tax rates.

In exceptional circumstances and in the interest of meeting the needs of a child, payment may be made outside of the circumstances described above. This can only be agreed by the Director or delegated officer in their absence on an individual basis and in order to achieve permanency for that child. In making the decision to continue payments the following will be taken into account:

- The permanency planning for the child.
- The length of time the child has been in placement with the foster carer.
- The child's relationship with the foster carer(s) and the carer's ability to provide permanency for the child throughout their childhood.

The tables below set out how this cost will be met based on the current calculations and the number of foster carers who will be eligible for an exemption/relief payment. The figures below are based on a maximum financial commitment. It is likely that some foster carers will be receiving a percentage discount if they are in receipt of benefits.

A. Current situation ;

In-House Fostering Households		
Living in Thurrock	58	£93,090
Living outside of Thurrock	29	£46,555
Total in-house Fostering Households	87	£139,645

B. Minus

Completely exempt from Council Tax	2	£3210
Entitled to single person discount	12	£4815
Unlikely to exceed 200 days fostering within the last financial year	28	£44,950
Total		£52,975
Total cost for all in-house carers = A – B		
		£86,670

Benefits of implementing Council Tax exemption to in-house carers residing in Thurrock	Risks of implementing Council Tax exemption to in-house carers residing in Thurrock
<ul style="list-style-type: none"> • Possible transfer of foster carers from Independent Fostering Agencies who do not offer an exemption on Council Tax. • Transferring of external agency foster carers will mean experienced foster carers may transfer. Narrowing the IFA payment fee gap. • Unique selling point, which IFAs do not match or compete with. • Positive publicity. • Foster carers will feel valued by the local authority and their morale will be boosted. • Excellent retention method. • Retention rate will improve. • Placements of local authority children locally maintaining links with family network and community. • Cost avoidance if this contributes to an increase of in house carers. • Reduction in number of children placed at distance and through other agencies. • Some fostering households will already have an exemption or reduction in their Council Tax payment. 	<ul style="list-style-type: none"> • Complaints/ disruption from future in-house foster carers who live outside of Thurrock and feel they are not being treated fairly. • Possible complaints/disruption from external agency foster carers living in the local authority who also have children placed by Thurrock. This is a lesser risk as there will be an opportunity for these carers to join Thurrock. • Possible, but less likely, complaints from the general public.

4. Consultation (including Overview and Scrutiny, if applicable)

None

5. Impact on corporate policies, priorities, performance and community impact

None

6. Implications

6.1 Financial

Implications verified by: **David May**

Strategic Lead Finance – Children’s, DSG and School, Corporate Finance

The Financial implications for providing an exemption to foster carers is set out in the table at 3.5 and 3.7.3. The report sets out the maximum financial implication based on all in-house foster carers living in Thurrock requiring 100% council tax relief and the financial commitment for all in house carers based on current known circumstances. The table further identifies potential for offsetting the payment over the next three years.

6.2 Legal

Implications verified by: **Judith Knight**
Interim Deputy Head of Legal (Social Care and Education)

Under Section 13A(c) of the Local Government and Finance Act 1991 a billing authority may reduce the council tax a person is liable to pay in respect of a chargeable dwelling in the borough. This power permits the reduction of liability to nil and can be reserved for specific groups. This would cover an exemption for foster carers. This is separate to the scheme for Council Tax Reduction Scheme for people in financial need.

Any provision to provide support to foster carers who live out of borough would need to be provided by way of a fostering allowance.

6.3 Diversity and Equality

Implications verified by: **Roxanne Scanlon**
Community Engagement and Project Monitoring Officer

The Service is committed to practice which promotes inclusion and diversity, and will carry out its duties in accordance with the Equality Act 2010 and related Codes of Practice and Anti-discriminatory policy.

In order to ensure fairness for all existing foster carers, it is proposed that all existing Thurrock foster carers, regardless of whether they live in the Borough, will be offered this exemption/relief payment in recognition of their contribution to caring for Thurrock children. However, in the future newly recruited foster carers will be offered the exemption only if they live within the Borough, in order to promote the recruitment of local carers for Thurrock children. As described in 3.7.2 consideration will be given on an individual basis to making this payment to in-house foster carers who live outside of the Borough in the interest of children and their permanency plan.

6.4 **Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

None

7. **Background papers used in preparing the report**

None

8. **Appendices to the report**

None

Report Author:

Joe Tynan

Interim Assistant Director for Childrens Social Care and Early Help