

CABINET

Date of Meeting	Tuesday, 16 th July 2019
Report Subject	Council Tax Discount Scheme for Foster Carers
Cabinet Member	Cabinet Member for Social Services Cabinet Member for Corporate Management & Assets
Report Authors	Chief Officer (Governance) Chief Officer (Social Services)
Type of Report	Operational

EXECUTIVE SUMMARY

Foster Carers are vital to the support needs of young people in care. Foster Carers provide family based substitute care in a warm, safe, attentive and nurturing environment. Children who are looked after are often extremely vulnerable and the role of Foster Carers is critical to their protection.

Currently, the Council, in some instances, needs to place children with private sector Foster Carers, often further away, which results in the Council paying a premium due to insufficient Foster Carers to meet these needs.

This report seeks approval of a new council tax discount scheme for local authority foster carers, which could be implemented from April 2020 and which could provide a more competitive package in terms of allowances and benefits and ultimately, bring savings to the Council.

It may also help to retain and grow the number of local authority Foster Carers to help the Council provide local homes for cared-for-children and reduce the need to rely on private agency foster placements.

RECO	MMENDATIONS
1	Approve the introduction, in principle, of a Council Tax Discretionary Discount Scheme for Foster Carers, to take effect from April 2020.
2	Consider three options on the level of discount that would be affordable to the Council, being a 25%, 50% or 75% discount, noting that a 50% discount would be the preferable option to align to the Council Tax discount schemes for Foster Carers that are in operation in other local authorities in the region.

REPORT DETAILS

1.00	EXPLAINING THE COUNCIL TAX FOSTER CARERS COUNCIL TAX DISCOUNT SCHEME
1.01	A growing number of local authorities are introducing a Foster Carers council tax discount scheme. Currently, there is currently no specific exemption or discount scheme for Foster Carers in Council Tax legislation.
1.02	Introducing a local discretionary discount scheme from April 2020 would put the Council in a position of being one of only two local authorities in Wales to offer such a scheme. By doing so, the Council would be 'leading-the-way' by recognising the vital public work foster carers undertake in partnership with local authorities to protect vulnerable children.
1.03	In Wales, 1 local authority (Anglesey CBC) has already approved the introduction from April 2019 of a 50% discount scheme for local authority foster carers alongside a leisure card and car park incentive.
1.04	Anecdotal evidence from Anglesey also suggests that as a direct result of the enhanced financial package, including the Council Tax Discount Scheme, an additional three foster families had already been found with several others having expressed an interest - potentially saving tens of thousands of pounds a year. According to colleagues in Anglesey, there is a weekly saving of £534 per placement if a council registered foster carer is used as opposed to a private firm and if only six moved over from the private sector, this would achieve savings of £90k even after taking into account the council tax discount scheme.
1.05	A growing number of English local authorities are now starting to introduce similar schemes, with a least 9 local authorities in England already operating council tax discount schemes for foster carers, including in neighbouring local authorities like Cheshire East.
1.06	The introduction in Flintshire of a Council Tax Discretionary Discount Scheme for foster carers could take effect from April 2020 using discretionary powers as set out in Section 13a (1) (c) of the Local Government Finance Act 1992.
1.07	In an abstract report recently drafted by Social Service colleagues at Conwy County Borough Council, aimed at the development of a regional approach to providing foster carers with a discount scheme, the report author, Kerri Marshall, concluded that "from analysing the yearly cost of external placements for children and young people, it is evidential that local authorities are able to save a significant cost by deducting council tax from in-house foster carers".
1.08	The cost of offering a 50% discount to foster carers in Flintshire (£92k) could be recouped should only three children be placed with in-house carers for a 12 month period rather than external fostering agencies.

1.09	One of the reasons that foster carers choose to foster for private agencies is because they can offer a better rate of payment. It is difficult for the Council to compete against these rates. Introducing a council tax discount scheme could provide a more competitive package in terms of allowances and benefits and ultimately, bring savings to the Council. It may also help to retain and grow the number of local authority Foster Carers to help the Council provide local homes for cared-for-children and reduce the need to rely on private agency foster placements.
1.10	A common barrier to recruiting local foster carers is local residents working full time and the need to reduce their working hours to collect children from school, this often means a loss of earnings for a new applicant.
1.11	There is also significant challenge to find local residents with two spare bedrooms to accommodate siblings who are of an age where sharing a bedroom would not be appropriate. A council tax discount scheme may encourage a local resident to consider fostering rather than downsizing.
1.12	Retention of existing experienced carers is also essential, with currently recruitment rates only replenishing loss. Such a scheme would show that the local authority values its foster carers.
1.13	The potential scheme would need to have eligibility criteria drafted in more detail but this would be aligned to similar schemes that operate in other parts of the UK. The criteria would include:
	 The discount would be awarded against any Council Tax liability arising from 1 April 2020 and the Council will have discretion to backdate future awards to 1 April 2020. The discount will not be means tested.
	 The discount will apply to foster carers who are approved directly by the Council, is a current carer and who has actually fostered a child in the relevant tax year or the tax year immediately preceding the current tax year for which they are claiming. The discount will be awarded to the net liability after the award of other statutory discounts, disregards, exemptions or Council Tax Reduction entitlements.
1.14	The scheme, if introduced, could provide a council tax discount at a level to be determined and which is affordable to the Council. In simple terms, each 10% discount to those foster carers who reside in the County would cost around £18k per annum.

2.00	RESOURCE IMPLICATIONS
2.01	We forecast that around 122 may qualify. Of these, 89 may qualify for a direct council tax discount as they reside in the County. 33 reside outside of the County boundary and to ensure a consistency of approach for those foster carers who are employed by the Council but who reside outside of the County boundary, the scheme would include provision to make an indirect financial award in the form of a financial assistance scheme in lieu of a council tax discount.

2.02	The initial analysis, as shown in the table below, illustrates the likely cost of providing a council tax discount scheme based on the three options:				
		Counc	cil Tax Discoun	t Level	
		25%	50%	75%	
	Foster Carers Residing in County	£35,000	£70,000	£105,000	
	Foster Carers Residing out of County	£11,000	£22,000	£33,000	
	Total Cost	£46,000	£92,000	£138,000	
2.03	Unlike other Council Tax discouthe Tax Base, the cost of operators from the Councils General Further funding available to support the important that the proposals as of the overall package of support to save' nature of this scheme self-funded.	ting this dis and and the Councils F set out in the ort to foster	cretionary s erefore will Revenue Bu nis report ar carers and	cheme woul reduce the dget in 2020 e seen in the the potentia	ld be met level of 0/21. It is e context al 'spend
2.04	The initial cost of providing the into future Revenue budget pro		2020/21 w	ould need to	be built

3.00	CONSULTATIONS REQUIRED / CARRIED OUT	
3.01	The referral of this potential council tax discount scheme to COT forms part of the initial consultation process around the introduction of a scheme to support Foster Carers.	

4.00	RISK MANAGEMENT
4.01	The proposed scheme if approved, will have a very positive impact on current foster carers, the recruitment of new foster carers and the transferring of foster carers from independent fostering agencies.
4.02	Although the scheme is financed by the Council, and ultimately by other Council Tax payers, it is seen to be very much in the wider public interest to introduce this scheme to support the vital role undertaken by foster carers to provide vulnerable children with a warm, safe, attentive and nurturing parenting experience.
4.03	The scheme would help the Council to deliver on one of the key improvement priorities of improving the outcomes for looked after children by supporting children in stable, local placements.

5.00	APPENDICES
5.01	Appendix 1 to this report provides the background report developed across the North Wales region to implement a local council tax discount scheme within the six local authorities across the region.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS	
6.01	Local Government Finance Act – section 13A (1) (c)	
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7.00	GLOSSARY OF TERMS
7.01	Council Tax Base: is a measure of the Council's 'taxable capacity' taking into account the number of properties subject to Council Tax after taking into account statutory discount, disregard and exemption schemes. Council Fund Revenue Budget: Prior to the start of each financial year, The Council is required to set a budget for its day-to-day expenditure to pay for local service. This is called a Revenue Budget and is the amount of money the Council requires to provide its services during the year, taking into account grants it also receives from Welsh Government.