

**NORTH LINCOLNSHIRE COUNCIL**

**CABINET**

**FOSTER CARERS SUPPORT – COUNCIL TAX**

**1. OBJECT AND KEY POINTS IN THIS REPORT**

- 1.1 To seek approval for expansion to the current recruitment, retention and support offer to foster carers for North Lincolnshire through a Council Tax reduction scheme.

**2. BACKGROUND INFORMATION**

- 2.1 North Lincolnshire Council foster carers continue to benefit from being part of our close community with strong support and a responsive team.
- 2.2 We are ambitious for the future and for our children and young people, we have high expectations and continued improvement is reflected in the progress made, this includes:
- A continuing improving picture of stability for children in care.
  - Low numbers of children in agency placements. There are currently 3 children living in agency foster care – reduced from 9 over the last 2 years.
  - Children in care are able to be part of their communities - in North Lincolnshire only 3% are placed more than 20 miles from their home compared to the National figure of 23%
- 2.3 Carers voice their commitment to remaining with the Council based on our values, the support they receive and our strong fostering family. Carers are, however, feeding back that they are feeling the impact of increasing costs on their families. Some are expressing that this is meaning they are reluctantly exploring private fostering agencies who pay more.
- 2.4 Independent Fostering Agency (known as IFA) placements are not always in the child's best interest as they are often placed a significant distance away from their families, schools and communities and lead to the child or young person potentially losing their sense of identity.

Current National information shows:

- Nationally, in 2021-22, 78% of initial enquiries went to Independent Fostering Agencies
- since 2017-18, IFAs have increased capacity by 440 households
  - since 2021-22, Local Authorities have decreased capacity by 1,770 households
- in 2017-18, 60% of fostering placements were with LAs, 40% with IFAs
  - in 2021-22, 55% were with LAs, 45% with IFAs (note - in North Lincolnshire this is less than 2%)

2.5 Council Tax deduction schemes have been implemented within a number of Councils, including neighbouring authorities. Council Tax discounts are now considered as an attractive aspect of a financial support package to foster carers.

### 3. OPTIONS FOR CONSIDERATION

#### 3.1 Option 1

Introduction of a full council tax exemption scheme for all approved North Lincolnshire foster carers and supported lodging providers.

This will be subject to the following criteria:

- Approved North Lincs foster carer/ staying put providers AND
- Are liable for some council tax on their property AND
- Claim all relevant benefits and discounts to which you would usually be entitled AND
- Claim this exemption only on the one property in which you live AND
- Agree to receiving this council tax relief, keeping council tax up to date with changes AND
- Has a child in full time, consistently for no less than 3 weeks (excluding holidays) in the month and are available for matches when no child is placed OR
- Where approval is for short-breaks - is matched to and offer a child/ren short-breaks no less than fortnightly OR
- Has a young person residing with them under Staying Put

The reduction in Council tax will be calculated and paid in arrears.

Carers will not be eligible if:

- They resign as foster carers - and will resume paying council tax from the date of written resignation received or the date the child in their care leaves
- They intend to take a break from fostering
- The LA do not consider them available for reasons of concern, health and safety, safeguarding or other relevant factors
- A young person has not been in their care as detailed in the criteria above.

This will be for an initial period of 1 year and be reviewed at this point.

### 3.2 **Option 2**

Introduction of a 50% council tax reduction scheme for all approved North Lincolnshire foster carers and supported lodging providers.

This will also be subject to the above criteria and for an initial period of 1 year.

### 3.3 **Option 3**

No change to the current arrangements.

## 4. **ANALYSIS OF OPTIONS**

### 4.1 **Option 1**

Recruitment and retention of foster carers is a key priority in ensuring there are sufficient, high quality, stable and loving placements for the children in our care. Having sufficiency, flexibility and choice of carers enables our ambition for children to be in their families, schools and communities. It helps children in our care achieve the best outcomes and provides value for money for the people of North Lincolnshire.

The recruitment and retention of carers takes place within an increasingly competitive arena with an increasing challenge from Independent Fostering Agencies (IFAs). If carers choose to move to IFAs it means significant additional costs, children potentially placed at some distance from their homes and communities and poorer outcomes.

Currently North Lincolnshire Council Provides Council Tax relief for the following groups:

Those who are disregarded from paying Council tax:

- Apprentices when employed to learn a trade, business, profession, vocation or office of employment and salary is no more than £195 per week.
- Young persons in training if under 25 receiving approved training funded by the Learning and Skills council.
- Full time students including student nurses
- School or college leavers under the age of 20 years.
- Aged 18 to 20 and in full time education undertaking a course of further education.
- Residents in hospital or care homes
- Carers who meet the requirements
- Person's who are 'severely mentally impaired' and entitled to one of a number of qualifying benefits.

- Other's include visiting armed forces, those with diplomatic privilege, people staying in hostels, members of religious communities and persons in detention.

Other Council Tax reduction also includes:

- Single person discount - reduces the bill by 25 per cent.
- Non-British spouses of students are eligible for discount
- Disabled person - reducing the Council Tax band of the property.

Introduction of the council tax exemption scheme alongside the reductions above would enhance our offer to fostering families both financially and through feeling valued. The scheme would ensure that carers felt the support of corporate parents and were financially supported in their role as foster carers and providers.

#### 4.2 **Option 2**

This will provide an increased incentive to apply as carers for North Lincolnshire Fostering and to remain with North Lincolnshire than the existing arrangements. It will also enable the scheme to have a 'testing out' period followed by further review.

However at the reduced level it is less likely to have a significant impact on the decisions carers will make. Therefore impact on the recruitment and retention of carers is likely to be substantially less than Option 1.

#### 4.3 **Option 3**

As detailed above there is increased challenge nationally, across the region and locally in recruiting and retaining foster carers with increased numbers choosing IFAs over Local Authorities. No change to the current arrangements means that there is increased risk that carers will choose IFAs over the North Lincolnshire Fostering offer. This would mean potentially poorer outcomes for children in our care and significant increased costs.

### 5. **FINANCIAL AND OTHER RESOURCE IMPLICATIONS (e.g. LEGAL, HR, PROPERTY, IT, COMMUNICATIONS etc.)**

- 5.1 Section 13A of the Local Government Finance Act 1992 gives the Council the discretionary power to reduce liability for council tax in relation to particular cases or by determining a class of cases that it may determine and where national discounts and exemptions cannot be applied.
- 5.2 Financial: the ongoing investment in fostering has achieved significant savings through reduced external placements over the last 3 years. As detailed above, these proposals are in the context of reducing the risk of carers choosing to leave to go to independent agencies and the potential

significant costs should this occur. The average cost, should a child be placed in an external residential placement, is now over £230,000 per annum and in an IFA is over £55,000 (feedback across the region is that in many cases these costs can be substantially higher).

- 5.3 The cost to the Council of the full Council tax reduction (Option 1) is estimated to be approximately up to a maximum £180k per year. As detailed above, the reduction will only apply to carers with children in their care. For those who provide short breaks, the reduction will be proportionate to the number of days provided. For connected person's (family and friends carers), the reduction will also be means tested. These parameters are likely to reduce the impact on Council tax income and therefore the cost to the Council. This amount will vary each year and is expected to increase in line with any Council tax increases. The cost of Option 2 would be approximately 50% of this.

This policy represents a new investment to be considered as part of the Medium Term Financial Plan and Budget Setting for 2023-24.

The reduction in Council tax will be calculated and paid in arrears.

Carers will continue to be liable if there is any existing Council Tax debt prior to eligibility for the scheme.

**6. OTHER RELEVANT IMPLICATIONS (e.g. CRIME AND DISORDER, EQUALITIES, COUNCIL PLAN, ENVIRONMENTAL, RISK etc.)**

- 6.1 The proposal will contribute towards achieving the statutory Children in Care Sufficiency requirements as detailed in the North Lincolnshire Children in Care and Care Leavers Sufficiency Strategy 2022 - 2024.
- 6.2 It will also contribute to the Council priorities of keeping people safe and well and providing value for money for local taxpayers.

**7. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)**

- 7.3 N/A

**8. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED**

- 8.1 Carers are consulted regularly and also provide formal feedback through the North Lincolnshire Foster Care Association chair at the Bi-monthly Fostering Meetings with Senior Managers
- 8.2 Through this, carers have voiced that they are facing greater financial challenges and identified further support that could help them through

expanding the existing support offer. These include a Council Tax deduction scheme.

8.3 There are no known conflicts of interest.

## 9. **RECOMMENDATIONS**

9.1 It is recommended that Option 1 is approved.

### **DIRECTOR OF CHILDREN AND FAMILIES**

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**Background Papers used in the preparation of this report:** N/A