

North Tyneside Council

Report to Director of Resources

Date: 28 July 2025

Title : Awarding of Council Tax Discount to Care Leavers

Portfolio(s): Resources		Cabinet Member: Councillor Anthony McMullen
Report from Service Area	Finance	
Responsible Officer:	Jon Ritchie, Director of Resources	Tel: (0191) 643 5701
Wards affected:	All	

PART 1

1.1 Executive Summary:

At a meeting of the Association of North East Councils (ANEC) Directors of Resources it was proposed, and agreed in principle, that a regional reciprocal approach of financially supporting care leavers should be adopted by the 12 local authority members of ANEC. The principle behind the proposal is that any care experienced young person who has been looked after by one of the regional local authorities, and who now lives in one of the region's local authority areas, should not have to pay Council Tax for the property they live in, regardless of whether they were in the care of the local authority in which they now reside and would be liable to pay Council Tax.

This proposed change, if accepted, would be an extension of the discount already awarded to young people leaving the care of the Authority and would extend the discount to all regional care leavers. It would come into effect from 1 April 2025.

This report has been prepared to provide the Director Resources with details of the proposed change to the existing 'Care Leavers Discount' adopted by the Authority and to seek his approval under his delegated powers to approve this proposed change.

1.2 Recommendation(s):

It is recommended that the Director of Resources, in consultation with the Cabinet Member for Finance and Resources, agrees that:

1. A discount in relation to the payment of Council Tax will be applied to any person leaving the care of any of the 12 local authority members of the Association of North East Councils so that such person's Council Tax liability is nil. This discount will apply from 1 April 2025.

1.3 Forward plan:

Twenty eight days notice of this report has been given, and it first appeared on the forward plan that was published on 20 June 2025.

1.4 Council plan and policy framework

- 1.4.1 This report relates directly to the priorities identified in the Council Plan 2021-2025 with regard to:

- People will be cared for, protected and supported if they become vulnerable, including if they become homeless
- We will provide great care to all who need it.

- 1.4.1 In accordance with the Authority's Constitution and Budget and Policy Framework Procedures Rule, the Authority has commenced the process to develop a new Council Plan for the period 2025-29. The new Council Plan will be based on the following five policy priorities:

- 1 Working with local people and organisations for a healthier fairer and better quality of life;
- 2 Giving our children and young people the best start in life;
- 3 Building neighbourhoods and town centres that are clean, green and safe, and places to be proud of;
- 4 Increasing jobs, skills and work experience opportunities; and
- 5 Delivering more affordable and social housing.

This report links to priorities 1 and 2 above.

1.5 Information

- 1.5.1 In July 2016, the Department for Education published “Keep on Caring” a refreshed cross-government care leaver strategy. It focussed on embedding a culture of corporate parenting across all parts of a local authority, not just the care leaver team. In December 2016 the Department for Communities and Local Government (as it then was) issued a Council Tax information letter to Chief Finance Officers reminding local authorities that under the Local Government Finance Act 1992 there is flexibility to support vulnerable groups to help manage their Council Tax liabilities. This could include considering giving exemptions or discounts to care leavers.
- 1.5.2 Following this in March 2018 the Authority introduced a ‘Care Leavers Discount’ that gives 100% Council Tax discount to young people leaving the care of the Authority and who continue to live in the Authority up to the age of 25 years. Those care leavers who live with a non-care leaver who shares the Council Tax liability for the property, receive a 50% Council Tax discount.
- 1.5.3 The approach to giving care leavers Council Tax discount up to this point in time has varied between the ANEC authority members, which meant that sometimes when a young person moved into another authority area from the one that had the care of them, their Council Tax liability was not always discounted, and in some authorities, no discount awarded at all. There was therefore no consistent approach between the ANEC authorities, this would be addressed by having a common approach of awarding a 100% discount to Council Tax liability to those leaving the care of an ANEC member authority and thereafter choosing to live in another ANEC authority area.
- 15.4 The Authority does not currently award a Council Tax discount to a young person moving into North Tyneside who was in the care of another ANEC local authority. It is proposed, as stated above, that this will change and young people leaving care in the North East will be given a Council Tax discount if they reside in the North East up to the age of 25 years, even if they are residing with a non-care leaver who shares the Council Tax liability for the property they live in. This discount will apply from 1 April 2025.
- 1.5.8 Whilst this will bring additional cases that qualify for a Council Tax Care Leaver Discount in North Tyneside, it will save money for the Authority’s Leaving Care

Team, as they are currently funding Council Tax payments in respect of North Tyneside care leavers living in other local authority areas that do not provide a Care Leaver Discount for Care leavers.

1.6 Decision Options

1.6.1 The following options are available to the Cabinet Member for Resources

Option 1

To agree the recommendation set out in paragraph 1.2 of this report; or

Option 2

Not to agree the recommendation set out in paragraph 1.2 of this report.

Option 1 is the recommended option

1.7 Reasons for recommended option:

Option 1 enables the Authority to:

- Provide support to all appropriate care leavers whilst they become used to managing finances and prevent them from accruing Council Tax arrears.
- It will provide support at a difficult transition period in life of the young adult leaving care.
- Reduce confusion over which authority provides what discounts by providing a standard reciprocal approach across the North East region.
- The outlined approach is the desired approach being adopted by all other regional authorities.

1.8 Appendices:

None

1.9 Contact officers:

David Mason – Head of Finance, Tel: (0191) 643 3293

Tracy Hunter – Senior Client Manager Revenues and Benefits Tel: (0191) 643 7228

1.10 Background information:

The following background papers/information have been used in the compilation of this report and are available at the officer of the author:

- Report to Cabinet Member for Finance & Resources Dated: 1 March 2018
- Decision Notice – Care Leaver Discount
- Local Government Finance Act 1992
- The Authority's Policy for The Awarding of Local Taxation Discretionary Relief

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1. Finance and Other Resources

- 2.1.1 The costs and savings associated with this change is unquantifiable, as it is unknown how many young people move between regional authorities and would qualify for a discount. The annual cost of awarding this discount is accounted for in the Collection Fund

2.2 Legal

The Director of Resources (who is also the Authority's Chief Finance Officer) has delegated authority in common with all Directors under General Delegation 6 (GD6) of the Authority's Officer Delegation Scheme to "take decisions on behalf of the Authority on all matters where they have managerial or professional responsibilities for their service areas."

The Director of Resources is responsible for the Authority's financial planning and management including the effective collection of Council Tax. He is also the 'head of profession' for the financial arrangements of the Authority and has a managerial and professional responsibility in that regard.

This decision on whether or not to award Council Tax discounts for care leavers across the North East region as set out in the report is therefore a matter that can be dealt with by the Director of Resources using his general delegated authority. The proposed discount is permissible under Section 13A(1)(c) of the Local Government Finance Act 1992. Section 13A(6) makes it clear that the power to reduce Council Tax liability under section 13A(1)(c) includes the power to reduce an amount to nil.

Reductions to Council Tax using the discretionary powers in Section 13A(1)(c) of the Local Government Finance Act 1992 is an Executive Function because it is

not a function specified in Section 67 of the 1992 Act that can only be discharged by Council.

2.3 Consultation/community engagement

- 2.3.1 All regional local authorities have been involved in discussions, via the Chief Executives, Directors of Children's Services and Directors of Resources, and they are in agreement that to provide a fair and standard approach to providing financial assistance to care leavers across the North East region that a reciprocal approach should be adopted so that no care leaver is liable for the payment of Council Tax up to the age of 25 years, if they have been cared for by any of the regional authorities and are living in any of the ANEC regional authority areas.

2.4 Human rights

There are no human rights implications directly arising from this report.

2.5 Equalities and diversity

- 2.5.1 This additional discount is a positive move, being made available to all young person up to the age of 25 leaving care who have a Council Tax liability in any local authority in the ANEC region; regardless of where in the region they have been cared for. It therefore has a potential positive impact with regard to socio-economic deprivation and does not have a negative impact on any groups protected by the Equality Act 2010.

2.6 Risk management

There are no risks arising from this report.

2.7 Crime and disorder

There are no crime and disorder implications directly arising from this report.

2.8 Environment and sustainability

There are no environmental and sustainability implications directly arising from this report.

PART 3 – SIGN OFF

- Chief Finance Officer ☐
- Monitoring Officer ☐
- Interim Director Corporate
Strategy and Customer Service ☐