

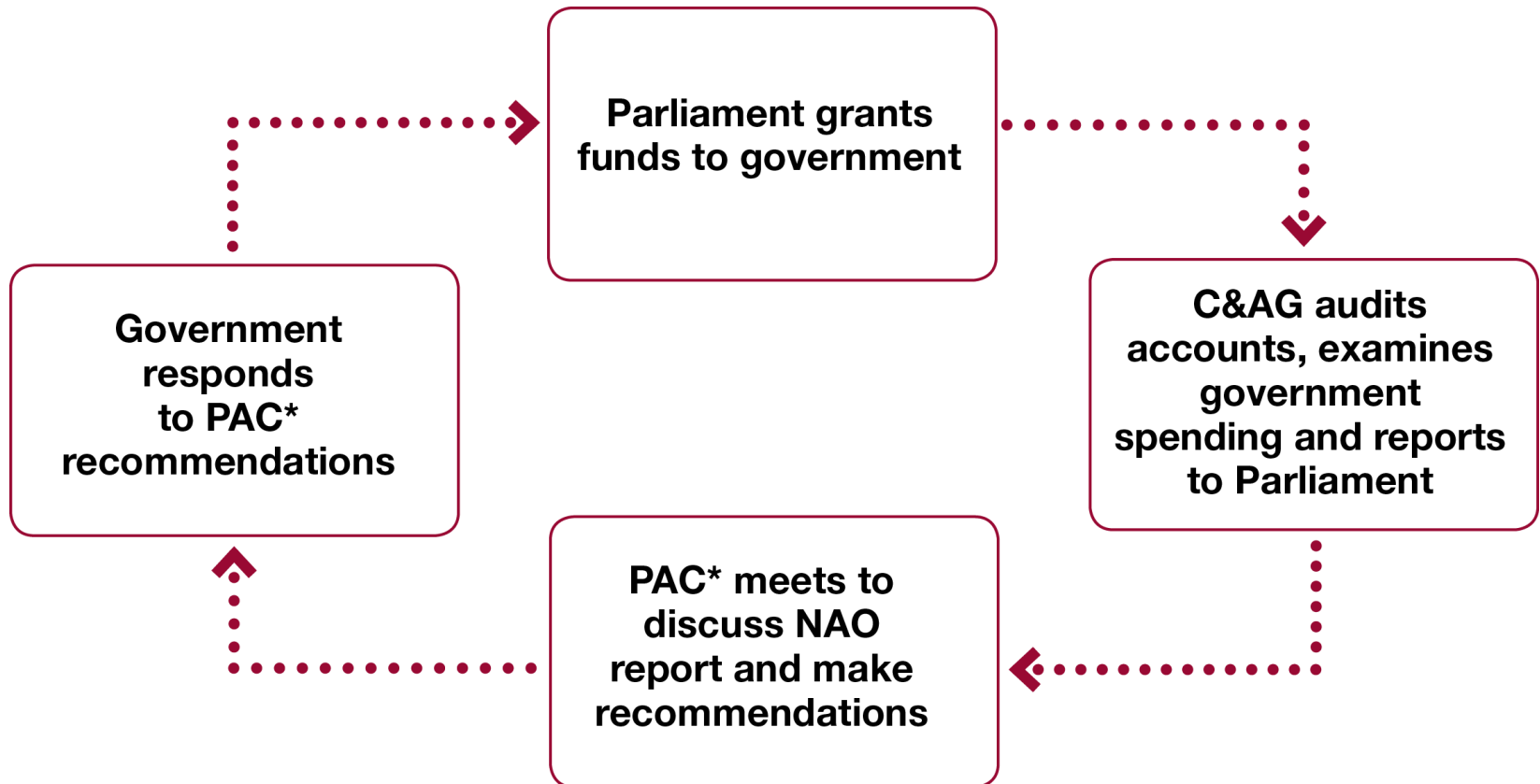


National Audit Office

Council Tax Support and Adult Social Care: recent work by the National Audit Office

Social Research Association, 1 July 2014

The role of the NAO



* Committee of Public Accounts



National Audit Office

Council Tax support

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Council Tax Support - 1

What?

- Council Tax support (CTS) - subsidy claimed by those on low incomes to reduce Council Tax bills.

When?

- Introduced April 2013, to replace Council Tax Benefit (CTB).

What's new?

- Used to be set by central government. Now devolved to local authorities – but with 10% cut in funding.

How much?

- CTB claimed by 5 million people in 2011-12, cost of £4.3bn.
- 10% cut in funding = c.£414m annual saving for central gvt.

Council Tax Support - 2

Impacts on poor / vulnerable groups

- Under CTB, all on very low incomes or benefits such as Income Support automatically exempt from Council Tax:
- Alistair Burt MP, June 1992 - *“I am sure that the House will welcome [...] the fact that under the Council Tax there will be no minimum contribution.”*
- Under Council Tax support, down to local authorities to decide who is entitled and how much they receive – BUT:
- Gvt legislated to protect pensioners, who receive same entitlements as under CTB.
- And Gvt objectives to protect vulnerable groups...

Council Tax Support - 3

- “To reduce spending on support for council tax, in a way which: [...] - **Ensures that vulnerable groups, in particular pensioners, are protected from increases in council tax as a result of this reform.**” Localising support for council tax: Updated Impact Assessment, June 2012
- “The Government will reduce spending on Council Tax Benefit by 10 per cent and localise it from 2013-14 **while protecting the most vulnerable.**” Spending Review 2010, October 2010
- “I can confirm that the **Government remain committed to retaining council tax support for the most vulnerable in society** and that they will be taking forward plans for councils to develop local rebate schemes.” Rt Hon Eric Pickles MP, 17 February 2011
- “The **Government is committed to retaining council tax support for the most vulnerable** in society and taking forward plans for councils to develop local council tax reduction schemes.” Localising Support for Council Tax: A Statement of Intent, May 2012
- “The Government has been clear that, in developing local council tax reduction schemes, **vulnerable groups should be protected.**” Localising Support for Council Tax: Vulnerable people – key local authority duties, May 2012
- “In localising support for council tax, the Government believes that local schemes **should provide support for the most vulnerable**, including vulnerable pensioners.” Localising support for council tax in England: Government's response to the outcome of consultation, December 2011

Council Tax Support - 4

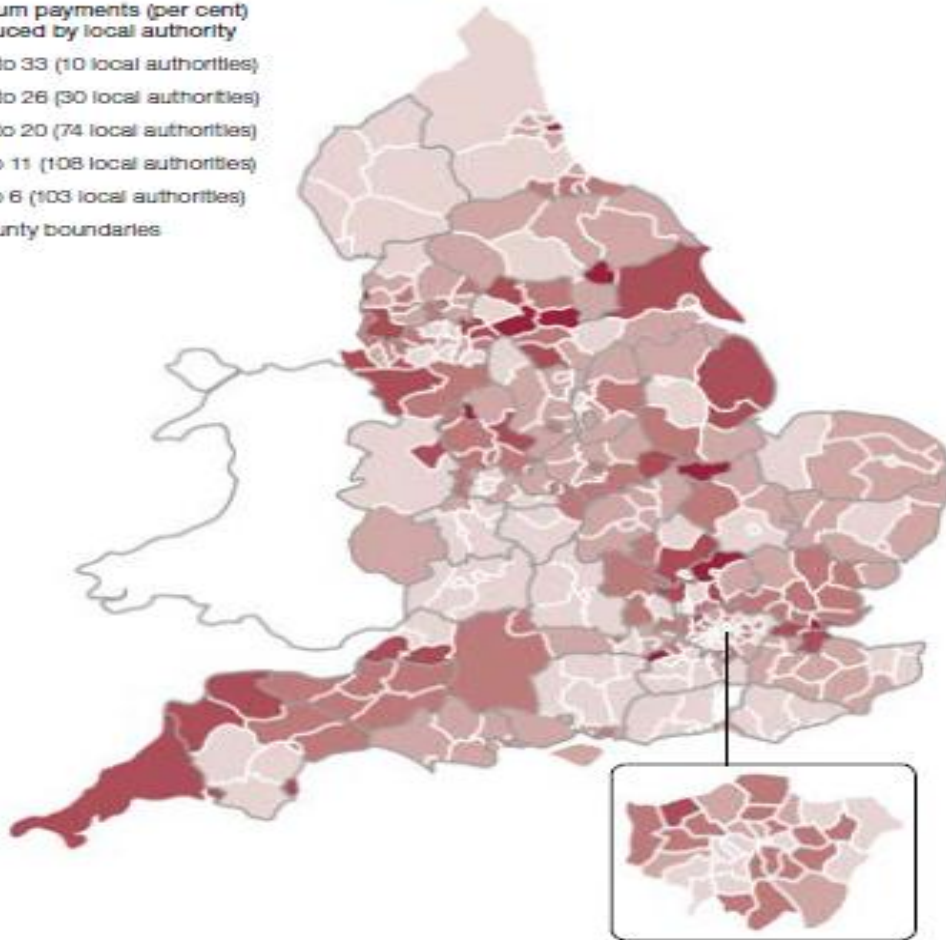
Figure 3

Levels of minimum payments in Council Tax support schemes across England

Most local authorities are asking working-age claimants to pay Council Tax, with the amounts varying widely across England

Minimum payments (per cent) introduced by local authority

- 27 to 33 (10 local authorities)
- 21 to 26 (30 local authorities)
- 12 to 20 (74 local authorities)
- 7 to 11 (108 local authorities)
- 0 to 6 (103 local authorities)
- County boundaries



- 71% local authorities introduced minimum payments of Council Tax, regardless of income.
- Minimum payments range from 5% - 33% of Council Tax bills.
- 133 local authorities introduced minimum payments with no protections for vulnerable groups (apart from pensioners, who are protected under statute).

Council Tax Support - 5

Challenges of localism:

- *“an accurate analysis of the reduction in income of these groups is not possible since the design of any council tax support scheme for working age people will be at the discretion of local authorities”* – DCLG Impact Assessment
- *“the Department is aware that some local authorities have chosen not to protect any vulnerable groups other than mandated groups. [...] It considers the onus to be on local authorities to consult effectively with their communities, and on affected groups and individuals to challenge local authorities on how they have incorporated equality considerations into their schemes”* – NAO report
- No national figures on how many people affected by Council Tax support reform AND welfare reform (e.g. benefit cap, spare room subsidy), or by how much.



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Adult social care in England: overview

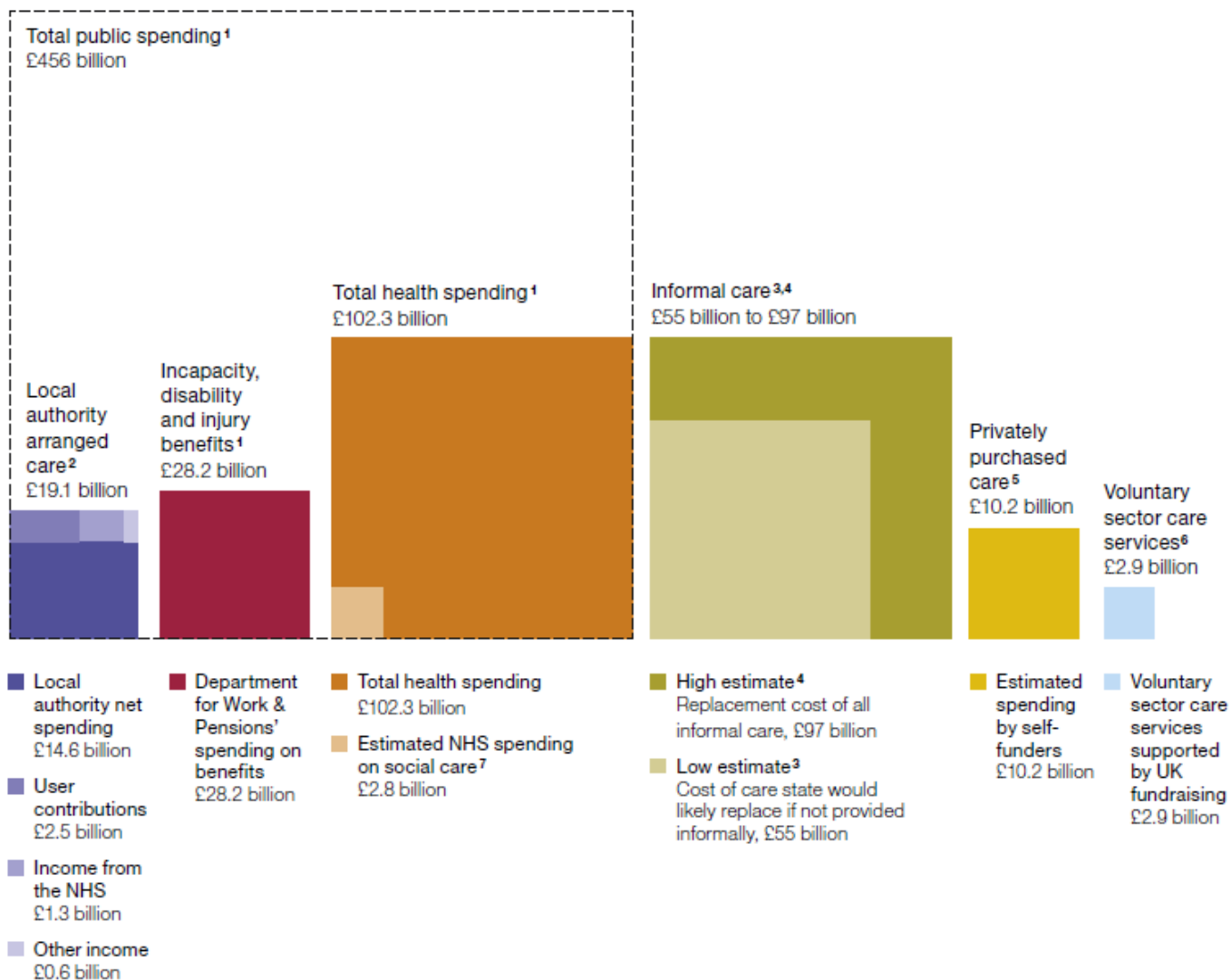
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Estimates of the value of care for adults

The value of informal care outweighs state spending and compares to spending on health care



65 or over

- 15% to 63.5% increase
- 5% to 15% increase
- Between 5% decrease and 5% increase
- 5% to 34.8% decrease



Note

1 Proportions are of adults aged 18 and over.

Source: National Audit Office analysis of Office for National Statistics 2001 and 2011 census data

85 or over

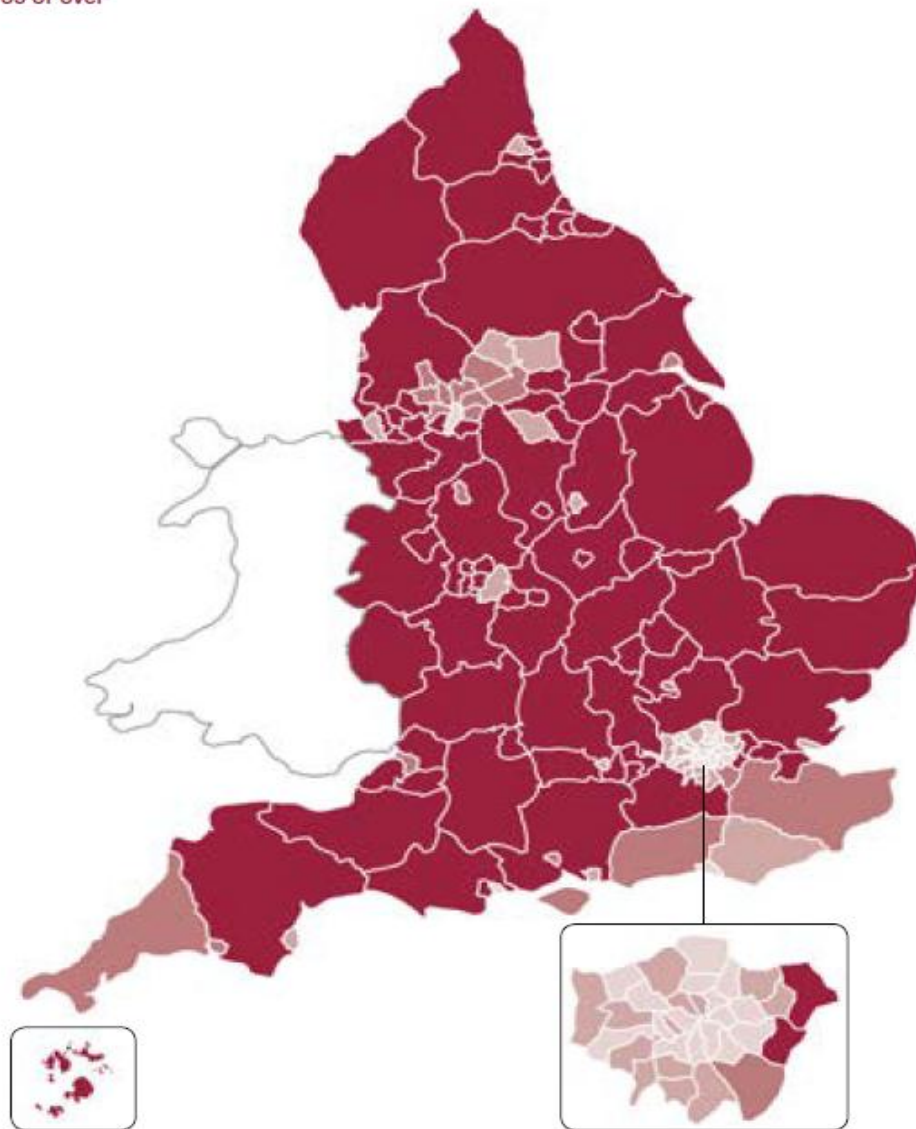
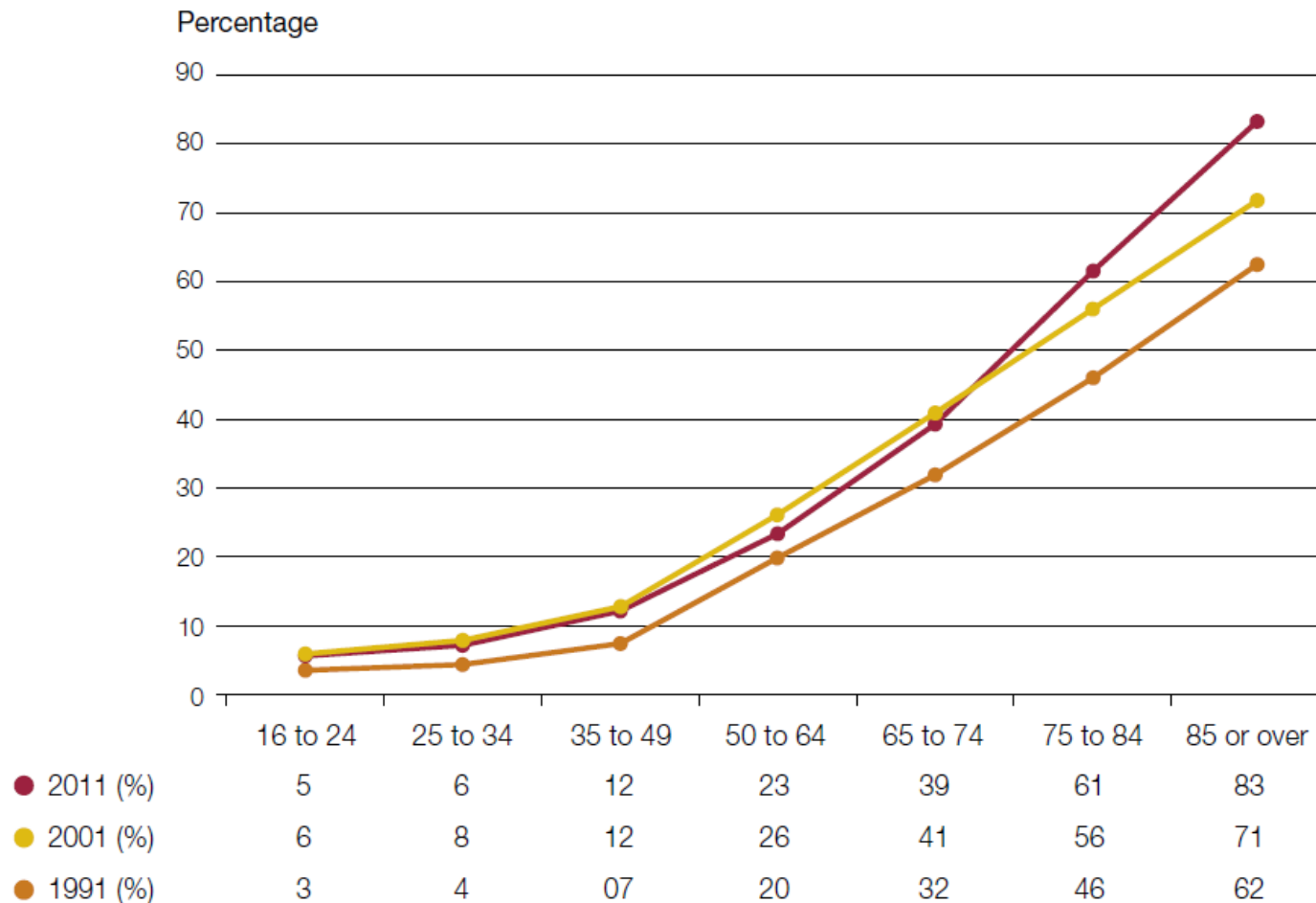


Figure 7

Trend in activity limitation by age

More adults in the oldest age groups are limited in their daily activities



Note

1 In 2011 this is the proportion of those limited both 'a little' and 'a lot'. Exact question wording varies.

Source: National Audit Office analysis of Office for National Statistics 1991, 2001 and 2011 census data

Conclusions

- Pressures are increasing – need rising while public spending falls
- There is unmet need
- Most users who receive local authority social care are satisfied with it
- But we don't know enough about others

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