

LOCALISING COUNCIL TAX RELIEFS: EVIDENCE

This note sets out some real-life illustrations of the potential impact on non-protected council tax benefit claimants within localised CT relief schemes that reflect both a 10% headline spending cut and protections for pensioners and “vulnerable” groups.

From a southern urban unitary:

Group	Caseload	Spend £ million	Protected?	Revised spend	Change to spend	Cash effect per claimant
Pensioners	8014	5.9	yes	5.9	0%	0
Working age “vulnerable”	5237	4.1	yes	4.1	0%	0
Working age in work	2629	1.5	yes	1.5	0%	0
Others	3812	2.9	no	1.5	-49.5%	£377.93
Total	19692	14.4		13.0	-10%	

From a North-Eastern city

The number of pensioners is rising rapidly in this city, squeezing other claimants over time. These figures assume the budget does not rise after 2013

Caseload 2011-12	38,946
Expenditure 2011-12	£27.5 million
10% less spending	£24.8 million
Protection for pensioners (2013)	£13.7 million
Protection for vulnerable	£3.3 million
Residual (2013)	£7.8 million
Implied cut for remaining claims	-35% or £226.60
Forecast protection	
for pensioners (2015)	£16.9 million
Residual (2015)	£4.6 million
Implied cut for remaining claims (2015)	-62% or £399.24

From a North-Western City

The evidence from this city is that restricting benefit will of itself depress council tax collection rates.

	Collection rate
100% benefit claimants	100%
Partial benefit claimants	80.5%
Full Payers	93%
Overall collection rate	92%