



Department for  
Communities and  
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**Department for Communities and Local  
Government**

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Section 151 Officer

[www.gov.uk/dclg](http://www.gov.uk/dclg)

Date: 16 February 2016

Dear Section 151 Officer

The Spending Review announced that for the rest of the current Parliament, local authorities responsible for adult social care (“ASC authorities”) would be allowed an additional 2% on their current council tax referendum threshold to be used entirely for adult social care<sup>1</sup>. This was in recognition of demographic changes which are leading to growing demand for adult social care, which is an increasing pressure on council budgets.

My letter of 17 December 2015 set out the proposed details of the precept. The final terms of the Adult Social Care precept are at annex A. You will note the Secretary of State’s intention to take authorities’ use of the precept into account when setting referendum principles for future years. The Secretary of State recognises the need for local discretion to meet local pressures. Given the need for efficiency savings, we do not expect that the precept revenues will be wholly additional to the 2015/16 baseline spend. **However, the clear public expectation is that the precept is intended only for the benefit of adult social care. A template letter for s151 officers to return confirming this is at annex B.** Replies should be sent to - [COUNCIL.Tax@communities.gsi.gov.uk](mailto:COUNCIL.Tax@communities.gsi.gov.uk) by 18 March. The Secretary of State will keep under review how the precept is being applied to adult social care budgets and how it meets the public expectation.

Some representations on the offer letter have suggested that Directors of Adult Social Care Services should co-sign the letter. Whilst we do not intend to make that change this year, we will keep it under review for future years.

I am copying this letter to the Chief Executive of your authority and the Director of Adult Social Services.

Yours sincerely

**Hülya Mustafa**

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The Adult Social Care Precept - Offer to Adult Social Care Authorities

In each year of the Parliament (subject to the approval of the House of Commons), Adult Social Care authorities ("ASC authorities") can set their council tax by up to 2% more than the core referendum principle applying to them, on the following basis:

- a. Following the House of Commons' approval of the Local Government Finance Report and council tax referendum principles for 2016-17 in early 2016, the Secretary of State will issue a Notice under Section 52ZY of the Local Government Finance Act 1992<sup>2</sup>. This will require Section 151 officers in ASC authorities to confirm that money raised through the precept is being used exclusively for adult social care. In subsequent years of the Parliament, Section 151 officers will be required to confirm that this additional council tax **continues** to be allocated to adult social care.
- b. ASC authorities must confirm the level of their average Band D (excluding parish precepts) council tax increase for 2016-17, and the proportion of it attributable to funding for adult social care on the *Council Tax Requirement* form that must be returned to DCLG within 7 days of their council tax having been set. The data provided will form part of the annual statistics release on council tax levels which is usually published in March.
- c. The above information will be required **each** year that the scheme is in operation. From 2017-18 onwards, the requirement will also encompass the cumulative year-on-year revenue being allocated to adult social care as per paragraph a above.

Tax payers must be informed on the face of the council tax bill, and in the information supplied with it, about the precept that is being used to fund adult social care. The Council Tax (Demand Notices) (England) Regulations 2011 is about to be laid before Parliament to put the requirements into effect for 2016-17. Having considered local authority representations, and the time available to implement changes to the format of the bills in time for 2016-17, the regulations require:

- the billing authority to separately set out i) the percentage increase in the adult social care authority's council tax (without the precept) together with the cash amount payable and ii) the cash amount payable element of the adult social care precept, together with the following short explanatory text: "The council tax attributable to [name of authority] includes a precept to fund adult social care."
- If the billing authority cannot do that, the regulations requires it to separately set out the percentage increases in the adult social care authority's council

tax attributable to a) core spending and b) the use of the precept, together with the following short explanatory text: “The council tax attributable to [name of authority] includes a precept to fund adult social care.”

- further information about the adult social care precept to be provided in the *“Information supplied with the demand notice”*.

County councils will be placed under a duty to provide billing authorities with the information to be included on the demand notice.

It is the Secretary of State’s intention to revisit the regulations in respect of the years 2017-18 onwards, and require all billing authorities to include a separate line for the adult social care precept. Local authority views will be sought on this, and further regulations prepared in due course.

In accepting the terms of this offer, ASC authorities agree to pay any costs that might arise. In two-tier areas Government expects county councils with adult social care responsibilities to work with district councils to arrange the necessary changes to bills.

The Secretary of State will keep under review how the precept is being applied to adult social care budgets and how it meets the public expectation.

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**Letter template for s151 officer to return to the Secretary of State in respect of 2016-17**

Dear Hülya Mustafa

In reply to your letter of [date] I am writing to certify that [Insert name of authority] has set an adult social care precept above the core referendum principle [yes/no].

I confirm that the amount raised through the precept will be spent entirely on adult social care functions.

Yours sincerely

**[S151 officer]**