

## Council Tax

### About this factsheet

Council Tax is the system of paying towards local government services in England, Scotland and Wales. This factsheet gives an outline of the most important aspects of the system for older people. It does not cover all the rules – for example it does not include information for families with children or students.

The information given in this factsheet is applicable in England only. Different arrangements apply in Northern Ireland, Scotland and Wales. Readers in these nations should contact their respective national offices for information specific to where they live – see section 16 for details.

The information given in this factsheet is correct for the period April 2010 – March 2011. Benefit rates and other figures are expected to increase in April 2011 but rules and figures sometimes change during the year.

For details of how to order factsheets and information materials mentioned inside go to section 16.

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**Note:** Many local Age Concerns are changing their name to Age UK.

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# 1 Overview

The Council Tax is based on both the value of a property and the people who live there. All domestic properties are allocated to one of eight bands depending on their value and one bill is sent to each household. Bills may be reduced by discounts, reductions and benefits, which are explained later.

## 2 Property bands

Each home is placed in one of eight bands (A to H) based on its estimated market value in April 1991. This applies to both rented and owner-occupied homes.

The bands are as follows below.

Property band	Range of values
A	Up to £40,000
B	£40,000–£52,000
C	£52,000–£68,000
D	£68,000–£88,000
E	£88,000–£120,000
F	£120,000–£160,000
G	£160,000–£320,000
H	Over £320,000

## 3 Changing bands

In general, increases or decreases in property prices will not mean that your property moves into a different band. However, major changes will sometimes mean properties move into different bands.

For example, if an extension is built the property may be worth more – although it will only move to a higher band when it is next sold. Properties can also move into lower bands, for example if they are partly demolished or a motorway is built nearby. Properties can move down a band as soon as a change occurs.

If you think your property is in the wrong band because of the sort of major change described above, you can 'make a proposal' to alter the band. (Making a proposal is the first stage in the appeal procedure.) You can also make a proposal to change the band if you have moved to the property within the last six months or if your property has appeared on the valuation list in the last six months, for example because it is a new home.

## 4 Who has to pay the Council Tax?

One bill is sent to each dwelling regardless of how many people are living there. One or more people may be liable to pay the bill although the household can choose how to divide it up. If no one lives in the property the owner is responsible. For information about empty property see section 10. If the owner is not resident and other people such as tenants are living there, the tenants will normally be liable.

If people are joint owners or joint tenants they are jointly responsible for the bill. Married couples and civil partners are jointly responsible, so are couples living together as though they are married or partners.

When several people are living together, it may be necessary to establish who is responsible for paying. This will depend on their circumstances. For example, if a homeowner and a tenant live together the owner will be responsible. If a tenant is living with someone else such as a friend or lodger then the tenant will be responsible.

For care homes, and some hostels or houses in multiple occupation, the owner – not the residents – will be responsible for the bill.

Liability for paying the Council Tax can be complicated and only a few examples are given here. Your position may be different so if you need further information contact your council or local advice agency.

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**Example:** Anna lives with her son in a private rented house. The tenancy is in her son's name so he is liable for the Council Tax although Anna may agree to help with the bill. If they were joint tenants they would both be liable.

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**Example:** Sam and his wife Paula own their house. Their daughter lives with them and pays rent. Sam and Paula are jointly liable for the tax. They may ask their daughter to make a contribution towards the tax or they could increase her rent to cover some of the bill.

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## 5 How much will the bill be?

The Council Tax bill for a property depends on a number of factors such as how much your council spends on services, the income the council receives from central government and business rates, and which property band your home is in. There are also various ways that the bill can be reduced. These are explained in more detail later but in outline they are:

- exemptions – if properties are exempt there is no Council Tax to pay;
- disability reduction scheme – the property may be placed in a lower band if it has certain features that are important for a disabled person living there, such as extra space for a wheelchair;
- discounts – in some circumstances the bill may be discounted by one quarter or one half; for example, if you live alone in a property you will be entitled to a 25% discount;
- Council Tax Benefit (CTB) – this is a social security benefit that depends on the income and savings of the person(s) responsible for the bill or the people they live with.

There are several different ways your bill can be reduced and more than one scheme may apply to you. The council will check which apply to you in the same order that they are listed in above.

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**Example:** Neela is disabled and lives alone. Her house is in band D, which in her area gives a basic tax of £1,100. She has a low income. Because she fulfils the conditions for the disability reduction her tax is reduced to that of a Band C property, which in her area is £1,000. It is then reduced by 25% to £750 because of the 25% discount for living alone. As she has a low income she applies for Council Tax Benefit. Her bill after the disability reduction and the discount have been applied is used to calculate her CTB. See Factsheet 17, *Housing Benefit and Council Tax Benefit*, for more information about this benefit.

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## 6 Exemptions and unoccupied properties

If a property is exempt there is no Council Tax to pay. In most cases exemptions apply to types of empty property (see below) although some households consisting of exempt people only (see below) are also exempt. Exemptions most likely to apply to older people and their carers are given here. If, for any of the following reasons, there is no one at all living in your former home it will be exempt from Council Tax:

- your previous home is unoccupied because you are permanently living in a hospital or a care home;
- your previous home is unoccupied because you have gone to live elsewhere to provide personal care to someone who is elderly, ill or disabled;
- your previous home is unoccupied because you have gone to live somewhere else to receive personal care due to your age, illness or disability.

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**Action:** If you fall into one of these categories, you (or someone else) should write to the local council asking for the exemption to be applied.

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## 7 Sheltered housing

Problems have arisen for some people who have moved to rented, sheltered housing and are still in the process of selling their former home.

In this case if you are not considered to be receiving 'personal care' you will be due to pay Council Tax on both your new home and your former home. You may want to get advice about your position before moving.

## **8 Severely mentally impaired people**

If a 'severely mentally impaired' person is liable to pay the Council Tax and lives alone (or only with other severely mentally impaired people) the property will be exempt. See section 12 on 'Discounts' for how 'severely mentally impaired' is defined and the position if someone else lives in the property who is not severely mentally impaired.

## **9 'Granny annexes'**

If your property includes a separate unit of accommodation – for example a 'granny annex' – this will normally be assessed as a separate dwelling.

But since April 1997 the annex has been exempt from Council Tax if it is the home of someone who is aged 65 or over or disabled and is a relative of whoever lives in the main dwelling.

Let the council know if you think you or your relative should be getting this exemption.

There is also an exemption for a separate dwelling that cannot be rented separately where no one is living.

## **10 Other empty properties**

If the property is unoccupied because the owner has died, there is no tax to pay until six months after probate has been granted or letters of administration obtained. In other situations where properties are unoccupied and 'substantially unfurnished' there is no tax to pay for up to six months.

Since April 2004 local authorities have been able to choose to limit the discount on empty homes to 10%. They can also opt to reduce or remove the discount offered on a long-term empty property.

## 11 Disability reduction scheme

This scheme may apply if your home has features that are essential or very important because it is the home of someone with a disability.

This would cover an additional bathroom or kitchen for the use of a disabled person; a room in the house particularly used by a disabled person such as a room for storing special equipment; or extra space for the use of a wheelchair.

If your home qualifies for a disability reduction your bill will be reduced one band. For example, if your home is valued in band C you will only have to pay the amount for a band B property.

If you live in a band A property that has one of the features for disabled people described above, your bill will be reduced by one sixth.

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**Action:** Let your council know if you think this may apply to your property.

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## 12 Discounts

The full Council Tax assumes there are two or more people living in each property. A discount of one quarter (25%) is given if only one person is living in the property and a discount of one half (50%) is normally given if no one is counted as living there.

Some people are not counted for the purposes of the Council Tax so discounts may still be given even if there are two or more people living there. For example, if there are two people living in a property but one is not counted, a 25% discount is given. If there are three people in a property and one is not counted there is no discount because there are still two people who are counted. If three or more people are counted the bill is not increased.

The council may ask you for information to decide whether you should be getting any discounts. If you are not receiving a discount that you think you are entitled to let the council know. You should also tell the council if your situation changes – for example if you are no longer living alone.

## 12.1 Discount for living alone

If you live on your own you will receive a 25% discount and only have to pay 75% of the bill.

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**Example:** Wendy is a widow living alone. Her bill is £1200. She sees that she is not getting a discount. She tells the council and the bill is reduced to £900. If she has a low income she may also get Council Tax Benefit to reduce the bill further.

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## 12.2 Other discounts

Other discounts may apply if certain people are living in the property. If a person is in one of these groups they will not be counted and the Council Tax bill may be reduced (depending on who else is living there). Not all the discounts are covered here but the main ones that could apply to older people and their carers are given below:

- people who are being looked after in a care home or a hostel which provides a high level of care or treatment or people who are living in a hospital;
- people who are '**severely mentally impaired**' (if there is no one else in the property it may be exempt from the tax). Someone will be exempt if they have a certificate from a doctor stating that they are severely mentally impaired and are entitled to (although not necessarily receiving) a social security benefit such as Attendance Allowance, the highest or middle rate care component of Disability Living Allowance, Severe Disablement Allowance, Incapacity Benefit or Employment and Support Allowance. The cause of the mental impairment is not important – it could be impairment from birth or due to a condition such as Alzheimer's disease. People will not be exempt because they have a physical disability;
- people staying in some short-stay hostels or night shelters;
- some **carers** who live with and, for at least 35 hours a week, are looking after someone receiving the highest rate of the care component of Disability Living Allowance or the higher rate of Attendance Allowance. But you are still counted if you are the partner of the person you care for, or if you are caring for your child who is under 18. More than one person living in the same dwelling can count as a carer even if they are working or of pension age;

- some **care workers** who are volunteers working on behalf of, or introduced to the person they care for by a charity or local authority, and who fulfil certain conditions. These will usually be young people, belonging to an organisation such as Community Service Volunteers, earning no more than £44 a week, working at least 24 hours a week and having accommodation provided on the premises.

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**Example 1:** Natasha and Khalid are a married couple. Khalid has Alzheimer's disease and receives higher rate Attendance Allowance. His doctor signs the form to say that he is 'severely mentally impaired'. He is now 'not counted'. They will get a 25% discount as only one person is counted in the property. If Natasha's brother comes to live with them they will no longer receive a discount because there will be two people who are counted (Natasha and her brother).

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**Example 2:** Jenny is a widow who has Alzheimer's disease and gets the higher rate Attendance Allowance. Her son lives with her and is looking after her for at least 35 hours a week. Jenny is not counted because she is assessed as 'severely mentally impaired' and nor is her son because he is a carer as covered in the list above. As there are no people counted in the household they get a 50% discount.

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## 13 Council Tax Benefit

If you do not qualify for any of the discounts mentioned above you may be able to claim Council Tax Benefit to reduce your bill. Council Tax Benefit is means tested – eligibility is based on your income and savings.

The **Second Adult Rebate** is also available if another person on a low income lives with you who is not your spouse, civil partner or unmarried partner. You may qualify for Second Adult Rebate if because they live with you, your Council Tax is higher because, for example, you lose entitlement to the single person's discount. The second adult rebate can be up to 25% of the bill depending on the income of the second adult. The Second Adult Rebate can be claimed with Council Tax Benefit and the council will pay whichever gives the higher benefit if both apply.

See Factsheet 17, *Housing Benefit and Council Tax Benefit*, for detailed explanation of the rules for these benefits.

## 14 Administration

### 14.1 Collecting information

You may be asked for information about the people in your home so that the correct bill can be sent. In some cases people can be fined for not providing the required information.

### 14.2 Paying Council Tax

The normal method of payment is 10 monthly instalments but when you receive your bill you will be given details of the different ways you can pay.

### 14.3 Penalties for non-payment

If someone is responsible for paying the Council Tax but does not pay it, or does not pay an instalment on time, they will receive a reminder. If it is still not paid the council can apply to a Magistrates' Court for a liability order. There are different ways of enforcing a liability order such as a direct deduction from wages or benefits. If you are finding it difficult to pay your Council Tax and/or any other bills seek advice from, for example, a local Citizens Advice Bureau.

### 14.4 Appeals

You can appeal to a Valuation Tribunal if you want to challenge certain decisions about your Council Tax liability. For example, you may think your property is in the wrong band (as explained earlier), or you may have been refused a discount you think you should receive. A local advice agency may be able to help with an appeal.

## 15 Useful organisations

### Benefit Enquiry Line

Government-run information line about benefits for people with disabilities, carers and representatives.

Tel: 0800 88 22 00 (free call)

Textphone: 0800 24 33 55 (free call)

Website: [www.direct.gov.uk/disability-money](http://www.direct.gov.uk/disability-money)

### Citizens Advice Bureau

National network of free advice centres. Depending on available resources may offer benefits check and help filling forms.

Tel: 020 7833 2181 (for local contact details only – not telephone advice)

Website: [www.adviceguide.org.uk](http://www.adviceguide.org.uk)

### Direct Gov

The official Government website for information for citizens.

Website: [www.direct.gov.uk/en/index.htm](http://www.direct.gov.uk/en/index.htm)

### Pension Service (The)

The Pension Service provides impartial UK government information on state and private pensions. It is part of the Department for Work and Pensions.

Tel: 0845 606 0265

Website: [www.thepensionservice.gov.uk](http://www.thepensionservice.gov.uk)

## 16 Further information from Age UK

Visit the Age UK website, [www.ageuk.org.uk](http://www.ageuk.org.uk), or call Age UK Advice free on 0800 169 65 65 if you would like:

- to order copies of any of our information materials mentioned in this factsheet
- to request information in large print and audio
- further information about our full range of information products

- contact details for your nearest local Age UK/Age Concern.

## **Books from Age UK**

We publish a wide range of books for older people and those who care for and work with them. The following title may be of particular interest:

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### **Your rights to money benefits 2010–2011**

All you need to know about the full range of benefits for the over 60s.  
£5.99

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To order this book visit [www.ageuk.org.uk/bookshop](http://www.ageuk.org.uk/bookshop) or to request a free books catalogue please call our book order line 0870 44 22 120 (lo-call rate).

## **Age UK**

Age UK is the new force combining Age Concern and Help the Aged. We provide advice and information for people in later life through our publications, online or by calling Age UK Advice.

Age UK Advice: 0800 169 65 65  
Website: [www.ageuk.org.uk](http://www.ageuk.org.uk)

In Wales, contact:  
Age Cymru: 0800 169 65 65  
Website: [www.agecymru.org.uk](http://www.agecymru.org.uk)

In Scotland, contact:  
Age Scotland: 0845 125 9732  
Website: [www.agescotland.org.uk](http://www.agescotland.org.uk)

In Northern Ireland, contact:  
Age NI: 0808 808 7575  
Website: [www.ageni.org.uk](http://www.ageni.org.uk)

## **Support our work**

Age UK is the largest provider of services to older people in the UK after the NHS. We make a difference to the lives of thousands of older people through local resources such as our befriending schemes, day centres and lunch clubs; by distributing free information materials; and through calls to Age UK Advice on 0800 169 65 65.

If you would like to support our work by making a donation please call Supporter Services on 0800 169 80 80 (8.30 am–5.30 pm) or visit [www.ageuk.org.uk/donate](http://www.ageuk.org.uk/donate)

## **Legal statement**

Age UK is a registered charity (number 1128267) and company limited by guarantee (number 6825798). The registered address is 207–221 Pentonville Road, London, N1 9UZ. VAT number: 564559800. Age Concern England (charity number 261794) and Help the Aged (charity number 272786) and their trading and other associated companies merged on 1 April 2009.

Together they have formed Age UK, a single charity dedicated to improving the lives of people in later life. Age Concern and Help the Aged are brands of Age UK. The three national Age Concerns in Scotland, Northern Ireland and Wales have also merged with Help the Aged in these nations to form three registered charities: Age Scotland, Age Northern Ireland, Age Cymru.

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