Factsheet 21

Council Tax

April 2016

About this factsheet

This factsheet explains what Council Tax is. It also explains eligibility for Council Tax Support and other ways you may be able to reduce your Council Tax bill.

The information in this factsheet is correct for the period April 2016 – March 2017. Benefit rates are reviewed annually and take effect in April but rules and figures can sometimes change during the year.

The information in this factsheet is applicable in England. Please contact Age Cymru, Age Scotland or Age NI for their version of this factsheet. Contact details can be found at the back of this factsheet.

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1 What is Council Tax?

Council Tax is a property-based tax paid to local authorities. It is charged on domestic, self-contained dwellings such as houses, flats, bungalows, houseboats and mobile homes, whether owned or rented. Every dwelling receives one Council Tax bill. If a property contains non-self-contained units (for example, a house divided into bedsits with a shared bathroom and kitchen) the property is one dwelling and gets one bill.

Every domestic dwelling is placed in one of eight Council Tax bands depending on its value in 1991. A is the lowest band and H is the highest. The amount payable in each band is determined by two factors: first, each local authority sets an overall amount each year and second, the amount of tax payable varies between valuation bands in proportions fixed by law.

2 Your Council Tax bill

Local authorities should send out a Council Tax bill every year to every dwelling that is not exempt. Bills are usually sent out in March with the first payment due in April. One bill is sent to each dwelling regardless of how many people are living there. One person or several people may be liable to pay the bill, depending on who lives in the property. The people in a household can decide how to share the bill between them, but the liable person/people will remain responsible in law.

If you were liable for Council Tax in the past but were not billed, a bill can often be backdated. There is no time limit but local authorities should send your bill without unreasonable delays. If there has been a delay of several years sending out your bill, the local authority may not be able to enforce payment. Seek advice in this situation – see for Useful organisations for details.

Your Council Tax bill should show the full amount of Council Tax for the dwelling according to its valuation band for the whole year, and then show any disability reduction, discount, discretionary reduction and/or CTS. The local authority will assume that you will remain eligible for any reductions, CTS or discounts for the whole of the financial year. The bill may also show any credits due from past periods, penalties and repayments of overpaid CTS and will end with the ‘chargeable amount’ for the year – which is the amount you are required to pay. You should be sent a new bill if your chargeable amount changes, for example if you become entitled to a discount or a different amount of CTS.

Most people have the right to pay the Council Tax in instalments and the usual arrangement is 10 monthly instalments but there are sometimes different arrangements. Your bill should include the instalment arrangements and the different ways you can pay the bill. Local authorities can choose to offer discounts to people who pay by direct debit or make one lump sum payment at the start of the year.

If you overpay your Council Tax or an adjustment puts your bill in credit it is usually possible to get a refund.

3 Who has to pay Council Tax

An adult resident of a dwelling is normally liable for the Council Tax. For Council Tax purposes you are 'resident' in a dwelling if it is your sole or main residence, and you can only be resident in one dwelling at a time. Where you are resident is usually straightforward; if not, your sole or main residence should be the dwelling that a 'reasonable onlooker' with knowledge of the facts would decide was your home at the time. Factors like how much time you spend at different addresses and your security of tenure in them, and where you are registered for voting and medical treatment may be relevant.

For the dwelling in which you live the rules on liability are:

- If you own your home you are liable for Council Tax and if a partner lives with you they are jointly liable, whether or not they are joint owners. A partner can be a spouse, civil partner or someone you live with as if married or civil partners. Any joint owners resident with you are also jointly liable
- If you rent your home from a non-resident landlord, you are liable for Council Tax. If you have a partner who lives with you they are jointly liable (even if not mentioned on the tenancy agreement) as are any joint tenants
- If you rent your home from a resident landlord, your landlord is liable
- If you are a tenant or licensee in a house in multiple occupation (perhaps a bedsit, hostel or non-self-contained accommodation), the landlord/owner is liable whether resident or not
- If you live in a care home, hostel, or religious community, the owner of the property is liable whether resident or not
- If you are an asylum seeker, the owner may be liable whether resident or not – seek advice if this applies to you.

The local authority has the right to ask residents and property owners for information to help them decide who is resident and who is liable for Council Tax. Local authorities have the power to impose penalties if you do not respond to a request for information. You can appeal against any penalty or decision about where you are resident and who is liable for Council Tax that is imposed (see Useful organisations for details).

Examples

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

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

4 Are you in the right Council Tax band?

The Valuation Office Agency (VOA), which is part of HMRC, values dwellings to determine which Council Tax band should be allocated. The banding decision is based on the theoretical price that the dwelling might have been expected to fetch on the open market in April 1991, taking into account certain assumptions, including that the property is in reasonable repair.

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 that properties can move into different bands.

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. A property can also move into a lower band, for example if adaptations for a disabled person reduce its value 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. 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. You may also be able to make a proposal if there has been an appeal decision on a comparable dwelling that gives you grounds for arguing that the valuation band of your dwelling should be changed.

4.1 Making a proposal

You can make a proposal by writing to the local office of the VOA or by contacting them for a form. You will need to give information about yourself, the dwelling, the banding you are seeking for the dwelling and why you believe the current banding is incorrect. When the VOA receives your proposal a listing officer will decide whether your proposal is valid or invalid.

If your proposal is considered invalid you will receive an invalidity notice telling you why and giving you the opportunity to make a further proposal or to appeal to the Valuation Tribunal for England against the invalidity notice (in Scotland, the Valuation Appeal Committee).

If your proposal is considered valid there are several possible outcomes:

- the listing officer may agree your proposal
- a new banding for the dwelling may be agreed which is different from the one you proposed
- the Valuation Tribunal may hear the case as an appeal and make a decision
- you may withdraw the proposal.

A local advice agency may be able to help you with a proposal to change the band allocated to your home (see Useful organisations for details).

5 What happens if you do not pay your Council Tax

If you are liable for Council Tax, it is important to make it a priority for payment because non-payment can lead to serious consequences. If you do not pay a Council Tax instalment on time you will receive a reminder requiring payment within seven days. If you still fail to pay, the Council can demand that you pay the full amount for the year and apply to a Magistrates' Court for a liability order. If this happens, you may also become liable for costs. There are different ways of enforcing a liability order, such as a direct deduction from wages or benefits, or seizure of your possessions by bailiffs.

Action

If you have fallen behind with your Council Tax bill, seek advice from an independent agency as soon as possible. Phone Age UK Advice for details of your local Age UK or approach one of the independent organisations listed in Useful organisations.

6 Reducing your Council Tax bill

There are various ways to reduce your Council Tax bill:

- Check whether you are in the correct Council Tax band and, if not, whether there is any way of getting the band changed – see section 4.
- Check whether your property can be exempt – do any of the criteria in section 8 apply? No Council Tax is payable on exempt properties.
- Check if you qualify for the disability reduction scheme – the property may be placed in a lower band if it has certain features for a disabled person living there, such as extra space for a wheelchair – see section 9.
- Check if you qualify for any discounts – your bill may be discounted by one quarter or one half: for example, if you live alone in a property or count as living alone, you will be entitled to a 25% discount – see section 7.
- Apply for a discretionary reduction in your Council Tax – see section 7.4.
- Check if you qualify for Council Tax Support (CTS) – a discount which you may be entitled to if you and/or the people you live with have a relatively low income - see section 10.
- Check if there are any discounts available for paying by direct debit or one lump sum.

You might qualify for more than one type of reduction, in which case the reductions will be applied in the same order that they are listed above.

Example

Dawn is disabled and lives alone. Her house is in band D, which in her area means a basic Council Tax of £1,100. She has a low income. Because she fulfils the conditions for the disability reduction her Council 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 CTS. Her entitlement to CTS is based on her Council Tax liability after the disability reduction and the discount have been applied.

7 Discounts

The full Council Tax assumes there are two or more people living in each dwelling. A discount is given if fewer than two adults count as resident for Council Tax purposes. You can sometimes qualify for a discount on the Council Tax, even if there are several people in your household, if enough of them are not counted for Council Tax. This is sometimes described as being 'invisible' for Council Tax. The following subsection explains how to work out who is counted as being resident in your property for Council Tax purposes.

7.1 How many people count for Council Tax?

To work out if you qualify for a discount, the first thing to do is to count up the number of people resident in your property for Council Tax purposes leaving out:

- anyone who has a severe mental impairment. To qualify, a doctor has to provide a certificate confirming that the person has a severe mental impairment. They must also be entitled to (although not necessarily receiving) AA, middle or higher rate care component of DLA, either rate of PIP daily living component, Severe Disablement Allowance, Incapacity Benefit, ESA, Income Support (with a disability premium), Working Tax Credit (with a disability element) Constant Attendance Allowance payable with Industrial Injuries or War Pensions scheme, unemployment allowance payable under the Industrial Injuries scheme or would have been entitled to one of these benefits if they were under State Pension age. The cause of the mental impairment is not important – it could be an impairment from birth, like a learning disability, or a condition such as Alzheimer's disease
- anyone whose sole or main residence is somewhere else
- anyone aged under the age of 18
- anyone for whom Child Benefit is payable and recent school/college leavers under the age of 20
- full-time students, student nurses, certain apprentices and certain trainees
- any carer who, for at least 35 hours a week, is looking after someone in the same household who receives AA, middle or higher rate care component of DLA, either rate of PIP daily living component, armed forces independence payment or the highest rate of constant AA and is not the partner of the person being cared for, or the parent of the person cared for, if that person is a child under the age of 18. This can apply to carers who are working and/or are over State Pension age. More than one carer can be disregarded as long as they meet these conditions

- Some care workers who are volunteers working on behalf of, or introduced to the person they care for by a charity, government department 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.

7.2 The amount of discount

Once you have worked out how many people count as living in your property, the following discounts will apply:

- a discount of 25%, often called the single person discount, if only one person is, or counts as, resident
- a discount of up to 50% if no one is counted as resident (but remember you can get a total exemption if no one counts as resident because all the residents are severely mentally impaired or students)

The rules on discounts are separate from the rules on liability. This means that there can be situations where a person who is invisible for Council Tax is still liable to pay the Council Tax bill.

Examples

Wendy is a widow living alone. Her bill is £1,200. She notices that she is not getting a single person's discount. She tells the council and the bill is reduced by 25% to £900.

Natasha and Khalid are married and no one else lives with them. Khalid has Alzheimer's disease and receives AA. His doctor signs a form to say that he is 'severely mentally impaired'. Khalid becomes 'invisible' and Natasha is now the only person who counts for Council Tax. A 25% discount is given.

Jenny has Alzheimer's disease and gets the higher rate of AA. Her son lives with her and looks after her for at least 35 hours a week. Jenny is invisible for Council Tax because she is severely mentally impaired and so is her son because he can be discounted as Jenny's carer. No one in the household counts for Council Tax and a 50% discount is given. Jenny remains liable to pay the remaining amount because she is the sole owner of the property.

7.3 Reduced discounts

In most cases the maximum discount available under these rules is 50% of the bill. Local authorities can reduce the discount to more than 50% on certain, furnished dwellings in which no one has their sole or main residence, for example second homes, but this is dependent on each local authority.

7.4 Other discretionary discounts

Local authorities can make other discounts available in their area, for example because of hardship or a natural disaster. You may wish to check with your local authority whether any extra discounts are available in your area. You can write to the chief executive of the local authority with full reasons and supporting evidence if possible. The local authority should give you a written decision, with reasons. You do not have a right to appeal against a refusal but you can make a complaint.

7.5 Applying for a discount

The local authority may ask you for information to decide whether you should be getting any discounts. There may be special forms to apply for some types of discount. A discount can be backdated to the date it should have first applied, but you may need to provide proof that you have qualified for the discount throughout the backdating period. Whilst there is no limit as to how far an application for backdating can be applied for it is likely that the local authority will limit backdating to 6 years.

8 Council Tax exemptions

If a dwelling is exempt there is no Council Tax to pay. Many types of exemption apply to different types of empty property, but there are also important exemptions for some people, including students and people who have a severe mental impairment.

8.1 Unoccupied dwelling exemptions

A dwelling that is unoccupied and unfurnished may be exempt:

- for up to 12 months if it is unfurnished and unoccupied and needs, is undergoing, or has recently had major repairs
- for up to six months if it is unfurnished and unoccupied for any reason.

Note
The above two bullet points only apply to Wales and Scotland. In England, automatic exemption no longer applies, although they may be exempt on a local basis by an individual authority.

A dwelling that is unoccupied, whether furnished or not, should be exempt if:

- it has been left empty by someone who is in prison or detained under immigration and mental health powers
- it has been left empty by someone in a hospital, care home or hostel where personal care is provided (although this does not apply to temporary stays in hospital)
- it has been left empty by someone who has gone to live somewhere else to provide or receive personal care due to age, illness, disability, past/present alcohol or drug dependence or past/present mental disorder
- it is an empty caravan pitch or houseboat mooring
- it is going to be occupied by ministers of religion
- it has been left empty by its owner who is a student
- it has been left empty by someone who has died and letters of administration or probate have not been granted, or were granted less than six months ago
- it is the responsibility of a bankrupt's trustees
- it cannot be let/occupied without breaching planning or other legal restrictions
- it is owned by a charity and has been unoccupied for less than six months
- it has been repossessed by a mortgage lender.

8.2 Occupied dwelling exemptions

An occupied dwelling can be exempt if it is:

- wholly occupied by one or more people who have a severe mental impairment (see section 7.1)
- wholly occupied by students (or a mix of students and severely mentally impaired people)
- wholly occupied by people under the age of 18
- a student hall of residence
- armed forces barracks, married quarters or accommodation for visiting forces

- One of at least two dwellings in a single property occupied by a dependant relative of someone who is resident in another part of the property.

8.3 Applying for an exemption

If you think you qualify for an exemption, you can ask for one. Ask your local authority if they have a special form or just write to them requesting the exemption, stating the reasons you qualify and the date from which it should be applied. There is no time limit for applying and an exemption can be backdated to the date it should have first applied. You may have to produce evidence that the exemption applied throughout the backdating period. There are other exemptions in Scotland, for contact details see the end of the factsheet.

9 Disability reduction scheme

This scheme may apply if your home has features that make it suitable for someone living in it who has a disability. This may apply if you have either:

- an additional bathroom or kitchen for the use of a disabled person
- enough space for the disabled person to use a wheelchair indoors
- a room (other than a bathroom, kitchen or WC) which is mainly used by the disabled person – this might be a treatment room, a room for special equipment such as for dialysis, or, in some cases, an additional bedroom.

If your home qualifies for a disability reduction your bill will be reduced by 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.

9.1 Applying for the disability reduction scheme

Contact your local authority to apply for a disability reduction on your Council Tax. Your local authority may have a form you can fill in, otherwise write to them requesting the reduction, stating the reasons you qualify and the date you would like it applied from. There is no time limit for applying and a disability reduction can be backdated to the date it should have first applied. You may have to produce evidence that you met the conditions for the reduction throughout the backdating period. The local authority may visit the dwelling or request supporting evidence from a doctor, social worker or other professional that the adaptation to the property is appropriate for the disabled person. You need to renew the application at the start of each financial year.

If the local authority refuses to award a disability reduction the decision can be appealed see section 11.

10 Council Tax Support

Each local authority is responsible for operating its own local scheme of CTS (also known as Council Tax Reduction) and so eligibility and the amount of support may vary from one local authority area to the next. In order to qualify for CTS you must not have savings exceeding £16,000 (unless you qualify for PC, see section 10.1), and you must have the 'right to reside' in the UK.

This factsheet is not intended to be an exhaustive resource covering all of the schemes available for CTS in England, and for specific information relating to the scheme in your area you should contact your local authority or seek local advice (see Useful organisations for details). For support schemes in other nations of the UK see the end of the factsheet.

10.1 CTS for pensioners

People over Pension Credit (PC) qualifying age are given the same level of support under CTS schemes as they got under the old Council Tax Benefit rules. You do not need to be in receipt of PC in order to obtain this reduction however, although you will be subject to the same eligibility screening or means-testing as someone who is in receipt of this benefit. To find out if you are of PC qualifying age visit Gov.uk (see Useful organisations).

If you receive the Guarantee Credit element of PC your income and capital is disregarded completely and you should receive a full discount on your council tax bill. If you receive only the Savings Credit element of PC then your eligibility for CTS will depend on the level of savings or capital you have. Your local authority will carry out a means test and if you have over £16,000 in savings you will not be eligible.

Note
If you do not currently receive PC, get a benefits check. Speak to your local Age UK or Citizens Advice Bureau, or visit Gov.uk which has an online benefits calculator. Even a small amount of PC may mean you are entitled to other support such as CTS. See factsheet 48, *Pension Credit*, for more information.

10.2 Second Adult Rebate (SAR)

Second Adult Rebate is a different sort of CTS, also known as alternative maximum CTS. It is not based on your income and savings but on the income and savings of one or more other people living in your household. SAR can reduce your Council Tax if another person on a low income lives with you who is not your spouse, civil partner or unmarried partner (and as a result you lose your entitlement to the single person discount of 25%). Check with your local authority and seek advice to find out whether this is available in your area.

11 Appeals and changes of circumstances

You have the right to appeal against a decision to refuse a discount, reduction (but not a discretionary reduction), exemption or CTS. Firstly, you should appeal to the local authority that made the decision. The local authority has two months in which to respond to your appeal. If the appeal is unsuccessful you can make a further appeal to the Valuation Tribunal for England as long as you do so within two months of receiving the decision. If the local authority does not reply to your appeal you have four months from the date of your appeal to make a further appeal to the Valuation Tribunal.

It is your responsibility to tell the local authority of changes in your circumstances, for example if you are no longer living alone or no longer entitled to a discount or exemption. You should notify the local authority within 21 days of the change or they could impose a fine. You also have the right to appeal to the Valuation Tribunal for England against any fine.

Action

See factsheet 74, *Challenging welfare benefit decisions*, for more information or see a local advice agency (see Useful organisations for details).

Useful organisations

Citizens Advice Bureau (CAB)
England or Wales go to www.citizensadvice.org.uk
Northern Ireland go to www.citizensadvice.co.uk
Scotland go to www.cas.org.uk
In England telephone 0344 411 1444
In Wales telephone 0344 477 2020
In Scotland telephone 0808 800 9060

National network of advice centres offering free, confidential, independent advice, face to face or by telephone.

Civil Legal Advice
www.gov.uk/civil-legal-advice
Telephone 0345 345 4 345

People living on a low income or benefits, who are eligible for legal aid can get specialist legal advice on benefits appeals, debt, education, housing, discrimination and family problems.

Disability Benefits Helpline
www.gov.uk/disability-benefits-helpline

DWP helpline providing advice or information about any claim for Disability Living Allowance, Personal Independence Payment or Attendance Allowance that you have already made.

Attendance Allowance (AA)
Telephone 0345 605 6055

Disability Living Allowance (DLA)

If you were born on or before 8 April 1948
Telephone 0345 605 6055

If you were born after 8 April 1948
Telephone 0345 712 3456

Personal Independence Payment helpline
Teephonel 0345 850 3322

Gov.uk
www.gov.uk

Official website for government information and services for citizens.

Pension Service (The)
www.gov.uk/browse/working/state-pension
Telephone 0845 60 60 265
State Pension Forecasting Team 0845 3000 168

For details of state pensions, including forecasts and how to claim your pension.

Valuation Office Agency (VOA)
www.gov.uk/government/organisations/valuation-office-agency
Telephone 03000 501501 (England)
Telephone 03000 505505 (Wales)

The VOA is part of HM Revenues and Customs and is responsible for allocating the correct Council Tax band to homes in England and Wales

Valuation Tribunal
www.valuationtribunal.gov.uk/Council_Tax.aspx
Telephone 0300 123 2035

The Valuation Tribunal is an independent appeals tribunal, funded by Parliament to handle Council Tax and rating appeals in England. The full Council Tax Guidance Manual is available through this website.

Age UK

Age UK provides advice and information for people in later life through our Age UK Advice line, publications and online. Call Age UK Advice to find out whether there is a local Age UK near you, and to order free copies of our information guides and factsheets.

Age UK Advice
www.ageuk.org.uk
0800 169 65 65
Lines are open seven days a week from 8.00am to 7.00pm

In Wales contact

Age Cymru
www.agecymru.org.uk
0800 022 3444

In Northern Ireland, contact

Age NI
www.ageni.org
0808 808 7575

In Scotland, contact Age Scotland by calling

Silver Line Scotland
www.agescotland.org.uk
0800 470 8090
(This is a partnership between The Silver Line and Age Scotland)

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The evidence sources used to create this factsheet are available on request. Contact *resources@ageuk.org.uk*

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