This factsheet will help you understand how Council Tax is worked out, looking at what help is available and what to do if you disagree with a Council Tax decision.

Please note that in the light of COVID-19, some recent changes have been introduced that this factsheet will not reflect. See our A-Z index for details.

This information covers England, Wales and Scotland.

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Understanding Council Tax

Council Tax covers local government services ranging from rubbish collections to road repairs. How much you pay depends upon the people living in your home and its value. Council Tax is a local form of taxation on domestic property and is collected by local councils (often referred to as local authorities).

How is my Council Tax bill worked out?

If you own or rent your home, you are legally responsible for paying the Council Tax bill. If more than one person owns a property or share a joint tenancy agreement, they are jointly responsible for the bill, even though only one bill will be sent to the home.

All homes are given a Council Tax valuation band. The type will depend on its market value. If you’re not sure what your band is, you can visit www.gov.uk/council-tax-bands or you can contact your local authority to find out.

In terms of the bill, 50% is for the property itself, and the other 50% is based on two adults living in the property. The bill does not go up if more than two adults live in the property.

Discounts and exemptions

Not everyone who lives in a property will be counted for the purpose of paying Council Tax. These are called ‘disregarded people’ including:

Certain carers

If you meet all the following criteria as a carer, you will not be counted:

- You provide care for at least 35 hours a week.
- You live in the same property as the person you care for.
- You are not the spouse or partner of the person you care for, or their parent if you care for a child under 18.
The person you care for must receive one of these: either the middle or higher rate of the care component of Disability Living Allowance (only the higher rate in Scotland), the daily living component of Personal Independence Payment at any rate (only the enhanced rate in Scotland), Attendance Allowance at any rate (only the higher rate in Scotland), Armed Forces Independence Payment or the highest rate of Constant Attendance Allowance.

**Note:** You do not have to claim Carer’s Allowance to qualify and your income and savings will not affect your eligibility. If there is more than one carer in the property, they can all be disregarded for Council Tax purposes as long as they all meet the above conditions.

‘Severely mentally impaired’ people

Those who meet both of the following criteria will not be counted:

- They have a certificate from a registered medical practitioner confirming the condition.
- They are entitled to but not necessarily claiming or receiving specified benefits including:
  - the middle or the higher rate of the care component of Disability Living Allowance, the daily component of Personal Independence Payment at any rate
  - Attendance Allowance at any rate
  - Constant Attendance Allowance or
  - Employment and Support Allowance.

Other people not counted for the purposes of Council Tax include:

- children up to 18 (for 18 year olds, someone must be entitled to Child Benefit for them)
- full-time students (note - if the property is occupied only by full-time students then it is exempt from Council Tax)
- long-term hospital patients or care home residents
live-in care workers

people living in a hostel that provides care or treatment because of their old age, physical or mental disability, past or present alcohol or drug dependence or past or present mental illness

In Scotland, care leavers (up to their 26th birthday) can get an exemption from Council Tax if they are the only adult (aged over 18) in the property. Even if other adults are resident, care leavers are still disregarded from the calculation of the number of adult residents of a household for Council Tax discount purposes.

In some areas of Wales, you will be exempt from paying council tax if you are under 21 and a care leaver. In some areas, you may be exempt up to the age of 25. The decision whether to exempt care leavers is up to each individual council so you will need to contact your local council to find out what happens in your area.

Am I eligible for a 25% or 50% discount?

After taking into account ‘disregarded’ people, if there is only one resident in the property who would be eligible for paying Council Tax, a 25% discount would be applied to the bill.

If there are no residents who would count for Council Tax, a 50% discount would be applied to the bill. However you can get a total exemption if no one counts as resident in your property because they are all severely mentally impaired or students.

To apply for a discount you would need to contact the Council Tax department of your local council. You can also ask for a discount to be backdated to the date when you met the criteria for it.

Note Example of a 25% discount

James spends 35 hours a week looking after his 23-year-old son Adam who receives the middle rate care component of Disability Living Allowance and is ‘severely mentally impaired’. James’ mother Jenny also lives in the house but does not look after Adam.
James can be disregarded as a carer and Adam can be disregarded as ‘severely mentally impaired’. Jenny cannot be disregarded. There would be one person considered to be living in the property (Jenny), and so a 25% discount would be applied to the Council Tax bill.

Note Example of a 50% discount
James spends 35 hours a week looking after his 23-year-old son Adam who receives the middle rate care component of Disability Living Allowance and is ‘severely mentally impaired’. James’ mother Jenny also lives in the house but does not look after Adam.

Fred and Julie live with their 15-year-old son, Bob, and Julie’s mother Alice. Alice suffers from dementia and receives the higher rate of Attendance Allowance – she is ‘severely impaired’. Julie cares for Alice for at least 35 hours a week. Fred also cares for Alice for at least 35 hours a week, during weekends and before and after his paid work.

Fred and Julie can both be disregarded as carers. Alice can be disregarded as she is ‘severely mentally impaired’. Bob can be disregarded as he is under 18 years old. No one would be counted in the property as living there and so a 50% discount would be applied to the bill.

When is a property completely exempt?

Homes may be exempt from Council Tax if:

- you have left the property empty and it is no longer your main residence because you are providing personal care to someone, due to their old age, disability, illness, alcohol or drug dependence, or mental disorder
- the only person or everyone living in the property is severely mentally impaired and no one else could be liable to pay Council Tax
the property has been left empty by someone who is now staying in a hospital, a care home or a hostel on a long-term basis where personal care is provided

- There’s an additional self-contained annexe within a single property and the resident living there is a ‘dependent relative’ of another resident in the property. They may be a dependent relative if they are aged 65 or over, severely mentally impaired or substantially or permanently disabled. Only the annexe is exempt.

To apply for an exemption you would need to contact the Council Tax department of your local council. You can ask for an exemption to be backdated to the date when you met the criteria.

**Help if you’re on a low income**

**What is Council Tax Reduction (CTR)?**

If you’re on a low income, it’s possible to get support towards paying your Council Tax in England through various local schemes run by councils. These are sometimes called Council Tax Support schemes, but in this factsheet we have used the term **Council Tax Reduction (CTR)** throughout.

In both Scotland and Wales there is a national CTR scheme, which is looked after by local councils.

This means that each local council (England) or nation government (Scotland and Wales) designs its own scheme and has the responsibility to decide who they can support with paying their Council Tax bill.

**How do I go about applying for it?**

If you pay Council Tax, you can apply for CTR if you’re on a low income by contacting your local council’s benefits department.

Your local council will calculate how much of a reduction you’re entitled to based on your income and savings.
Note for Scotland
CTR will apply to your Council Tax charge only and not any water and sewerage charges included in your bill. These are based on the Council Tax band of your home and will be detailed on your Council Tax bill. Some households receive a discount on these charges including single person households (25%) and households with two or more adults who receive CTR (up to 25%). The reduction is graduated to reflect entitlement to CTR and is calculated on the same daily basis as CTR. If a household with two or more adults is in receipt of full 100% CTR, then the full 25% water and sewerage reduction will apply.

In Scotland, Council Tax on properties in bands E, F, G and H is calculated differently. The Council Tax for these properties will now be a higher percentage of the band D rate than previously. However, low income households can apply for exemption from the increases. This relief is an extension of the existing CTR and is aimed at households who are on a low income. To find out if you are eligible contact your local council.

How is CTR backdated?
For working age adults, backdating varies across the three nations. In England it depends on your local council scheme, in Scotland it is limited to six months and in Wales, it is generally three months.

What about the benefit cap?
CTR is not counted as part of the benefit cap. The benefit cap means that certain households have an upper limit on the total amount they can be paid from benefits. For more information about the benefit cap, go to carersuk.org/benefitcap

What is Second Adult Rebate?
If you live in England or Scotland with someone who is on a low income and isn’t your partner, you may be eligible for a discount on your bill called Second Adult Rebate. You can’t get this at the same time as CTR, but your local council should automatically consider whether you’d be better off claiming Second Adult Rebate. In Wales it is not termed this, but you may still be able to get a discount of up to 25% if you live with someone who is not your partner, who is on a low income and who does not pay you rent –
check with your local council for more details. (These schemes don’t apply to second homes or holiday homes. Contact the council of where the property is located to find out what their rules are as they can vary.)

**Support if you’re severely disabled**

*What is the Disability Reduction Scheme?*

If anyone living in the property is registered as ‘substantially and permanently disabled’, you could get help with reducing your Council Tax under the Disability Reduction Scheme. This depends on whether you meet one of the following conditions:

- There is an additional bathroom or kitchen in the property that is needed by the disabled person.
- There is a room (other than a bathroom, kitchen or toilet) needed by and mainly used by the disabled person.
- There is enough space in the property for the disabled person to use a wheelchair indoors.

There is no general test of who is considered ‘substantially and permanently disabled’. If a person is registered as disabled with their local council, this should help to satisfy this condition, as should receipt of disability benefits. It could also help to provide supporting evidence from your GP/consultant. A disability reduction would mean that your Council Tax bill would be reduced to the amount payable for a home in the valuation band below yours. If you are in the lowest band already (band A) you would get a reduction of one sixth of the bill.

**Example:** Mina’s home was placed in Council Tax band C. She qualifies for a disability reduction because there is an additional bathroom in the home, which is required by her disabled mother. This means Mina is placed in Council Tax band B.

To apply for support from the Disability Reduction Scheme, you would need to contact the Council Tax department of your local council. If you were eligible in the past, it is possible to backdate your application. You would
have to make a backdated application and provide evidence of your eligibility. Note that backdating may be limited to six years.

What are Discretionary Housing Payments?

There are some local councils that have their own local discretionary funds for Council Tax. There are short term or one off payments that can be given if you are going through exceptional financial hardship and cannot pay your rent. Contact your local Council Tax department to find out more. When applying for discretionary funds, you should provide full details about your circumstances and about how being a carer impacts on your finances. For more details see: https://www.gov.uk/government/publications/claiming-discretionary-housing-payments/claiming-discretionary-housing-payments

If you cannot pay your Council Tax bill

Talk to your council and seek advice

If you are not able to pay your Council Tax bill, you should contact your council as soon as possible to let them know. Councils are able to take legal action to recover debts, but most will try to find other solutions first. They may be able to arrange a payment plan with you or put you in touch with other agencies who can help you with debt management.

For more information on where to get help with debt, visit carersuk.org/debt You could also get a benefits check from a local advice centre - visit advicelocal.uk or benefits-calculator.turn2us.org.uk/AboutYou

Challenging a decision

Appeals process

If you feel that you have been overcharged Council Tax because you have not had Council Tax Reduction (CTR), a discount or exemption applied to your bill, you should first contact your local council within one month of the decision to ask them to reconsider it. You should write to your council stating why you think the bill is wrong. They will then look at the bill and should either send you a new one if it is wrong, or if they think it is right they should contact you to explain why. The council has two months to reply. In England and Wales, if you disagree with the council's decision,
or you don’t hear back within two months, you can appeal to the Valuation Tribunal: t:0300 123 2035 w:valuationtribunal.gov.uk.

- If the council has replied to your letter, you have two months from the date of their reply to appeal the decision.
- If the council has not replied to your letter, you have four months from the date you originally wrote to the council disputing the bill.

In Scotland, if you disagree with the council’s decision, or you don’t hear back within two months, you can appeal to the Valuation Appeal Committee. Regardless as to whether or not the local council has replied to your letter, you have four months from the date you originally wrote to the council disputing the bill to appeal the decision. If the appeal is about a penalty that has been added to your bill, this is reduced to two months from the date you originally wrote to the council disputing the bill. Again this is regardless as to whether the local council have replied to your letter or not.

▶▶Note: If you fall outside any of the time limits mentioned above, then it may still be possible to challenge the decision. You should seek local help and advice with this. You can search for local advice services on the Adviselocal website here: advicelocal.uk. You will need to continue to pay the bill until the matter has been resolved.

Disagreeing with your Council Tax band
In certain circumstances, you can appeal against your Council Tax band – eg, if major changes have been made to the property (such as it being converted to flats). If it is agreed that your band is wrong, it will be corrected and your council will then update your Council Tax bill. If you feel that your home is in the wrong Council Tax band you should contact the following organisations.

In England and Wales contact the Valuation Office Agency (VOA) on 03000 501 501 (England) or 03000 505 505 (Wales). You can also contact the VOA at gov.uk/valuation-offices-council-tax. If the VOA has reviewed your Council Tax band, but you disagree with their decision, you can challenge this decision by following the steps online at gov.uk/challenge-council-tax-band. In Scotland you can locate your Council Tax band on the
Scottish Assessors Association website at saa.gov.uk. You can then ‘Make a proposal’ online if you think it is wrong. Your proposal will go to the local assessor. If it can’t be resolved through discussion, it will then be sent to the local Valuation Appeal Committee for a decision.

Further help

Visit carersuk.org/local-support for details of your local carers’ organisation. For information and support, contact the Carers UK Helpline on 0808 808 7777 (Monday and Tuesday 10am-4pm) or email advice@carersuk.org

Citizens Advice
Free, independent, confidential and impartial advice: w: citizensadvice.org.uk

Attendance Allowance
t: 0800 731 0122 (textphone: 0800 731 0317)
Carer’s Allowance Unit
t: 0800 731 0297 (textphone: 0800 731 0317)
Disability Living Allowance
If born on or before 8 April 1948: t: 0800 731 0122, textphone: 0800 731 0317. If born after 8 April 1948: t: 0800 121 4600, textphone: 0800 121 4523.

For Jobseeker’s Allowance, Income Support and Employment and Support Allowance:
Jobcentre Plus
New claims t: 0800 055 6688 (textphone: 0800 023 4888)
Existing claims t: 0800 169 0310 (textphone: 0800 169 0314)
Pension Credit
New claims t: 0800 99 1234 (textphone: 0800 169 0133)
Existing claims t: 0800 731 0469 (textphone 0800 169 0133)
Pension Service
t: 0800 731 0469 (textphone 0800 169 0133)
Personal Independence Payment
New claims t: 0800 917 2222 (textphone: 0800 917 7777)
Enquiry line t: 0800 121 4433 (textphone: 0800 121 4493)
Tax Credits
t: 0345 300 3900 (textphone: 0345 300 3909)
Universal Credit
Helpline t: 0800 328 5644 (textphone: 0800 328 1344)
This factsheet is designed to provide helpful information and advice. It is not an authoritative statement of the law. We work to ensure that our factsheets are accurate and up to date, but information about benefits and community care is subject to change over time. We would recommend contacting the Carers UK Helpline or visiting our website for the latest information.

Please give us your feedback on this factsheet by emailing your comments to info@carersuk.org

This factsheet was updated in March 2020. Next review due April 2021.

Carers UK Helpline

For expert information and advice about caring.

📞 0808 808 7777
(Monday – Tuesday 10am-4pm)

@ advice@carersuk.org

Carers UK

20 Great Dover Street
London SE1 4LX
020 7378 4999
info@carersuk.org

Carers Wales

029 2081 1370
info@carerswales.org

Carers Scotland

info@carerscotland.org

Carers Northern Ireland

028 9043 9843
advice@carersni.org

However caring affects you, we’re here

Caring will affect us all at some point in our lives.

With your help, we can be there for the 6,000 people who start looking after someone each day.

We’re the UK’s only national membership charity for carers: join us for free at carersuk.org/join

We’re both a support network and a movement for change.

Visit us at our website to join us, help us or access more resources:

carersuk.org

This information can be requested in large print or as a text file.