

# Help with Council Tax



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**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.**

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 own 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](http://www.gov.uk/council-tax-bands) or you can contact your local authority to find out.

In terms of how the bill is worked out, 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

You may be entitled to some reduction on your bill and not everyone who lives in a property will be counted for the purpose of paying Council Tax and. People who are exempt (referred to as 'disregarded') include:

### 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 one of the following benefits:
  - 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 26<sup>th</sup> 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. Others who are exempt include some student and youth trainee nurses, skills seekers or apprentices aged under 25 as well as certain live-in care workers.
- In some areas of *Wales*, you will be exempt from paying Council Tax if you are a care leaver aged 18+ but under 25. The decision on 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?

### For those living with others

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 Personal Independence Payment 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**

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 mentally impaired'. Julie cares for Alice for at least 35 hours a week. Fred also cares for Alice for at least 35 hours a week, at 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 living with someone else to receive care, or 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 is a higher percentage of the previous band D. However, low income households can apply for an exemption from the increases. To find out if you are eligible contact your local council.

### **How is CTR backdated?**

Backdating varies across the three nations. In England, it depends on your local council scheme. In Scotland, it is three months (if you're pension age) – and if you are working age and can show good cause why you have not applied earlier (eg, you were in hospital), your claim can be backdated for up to six months. 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, go to [carersuk.org/benefitcap](https://www.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.

## 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](https://carersuk.org/debt). You could also get a benefits check from a local advice centre – visit [advicelocal.uk](https://advicelocal.uk) or you could use this tool, provided by the benefits charity Turn2us, as a starting point: [carersuk.org/benefits-calculator](https://carersuk.org/benefits-calculator).

## 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 can 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: **0303 445 8100**  
w: [valuationtribunal.gov.uk](https://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. You have four months from the date you originally wrote to the council disputing the bill to appeal the decision. But 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.

▶▶ **Note:** If you fall outside any of the time limits mentioned above, then it may still be possible to challenge the decision. You can seek help through local advice services here: [advicelocal.uk](https://www.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, 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](https://www.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](https://www.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](https://www.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](https://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 – Friday 9am-6pm) or email [advice@carersuk.org](mailto:advice@carersuk.org).

### Advice Local

You can search for local guidance to help with Council Tax such as discretionary housing payments, whether you're entitled to reductions in your bill and emergency assistance in your area.

**w:** [www.advicelocal.uk](http://www.advicelocal.uk)

### Citizens Advice

Free, independent and confidential advice: **w:** [citizensadvice.org.uk](http://citizensadvice.org.uk)

### Gov.uk

The UK government website provides detailed guidance and information

**w:** [gov.uk/council-tax](http://gov.uk/council-tax)

### Money Talk Team (Scotland only)


Confidential, impartial advice to help maximise income, deal with debt and reduce bills **w:** [moneytalkteam.org.uk](http://moneytalkteam.org.uk) **t:** 0800 085 7145

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](mailto:info@carersuk.org)  
This factsheet was updated in April 2022. Next review due April 2023.

### **Carers UK Helpline**

For expert information and advice about caring.

 **0808 808 7777**  
(Monday – Friday 9am-6pm)

 [advice@carersuk.org](mailto:advice@carersuk.org)

### **Carers UK**

20 Great Dover Street  
London SE1 4LX  
020 7378 4999  
[info@carersuk.org](mailto:info@carersuk.org)

### **Carers Wales**

029 2081 1370  
[info@carerswales.org](mailto:info@carerswales.org)

### **Carers Scotland**

0141 445 3070  
[info@carerscotland.org](mailto:info@carerscotland.org)

### **Carers Northern Ireland**

028 9043 9843  
[advice@carersni.org](mailto: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](https://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](https://carersuk.org)

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