

## **Council Tax Benefit is changing – frequently asked questions**

### **What is Council Tax?**

Council Tax is a local tax set by the Council based on the value of your property. Your home is placed in one of eight valuation bands based on its value at 1st April 1991.

Melton Borough Council is responsible for collecting Council Tax on behalf of the Council, Parishes, the County Council and the Fire and Police services and this money funds about 20 per cent of local public services, including things like refuse collection, adult social care, environmental health and education.

### **Who has to pay Council Tax?**

Council Tax is usually paid by the people living in a property. It is assumed that there are at least two adults living in the property. If there is only one adult living in the property, they may get a discount on their Council Tax.

The owner of a property pays Council Tax even if the property is standing empty.

### **What is Council Tax Benefit?**

Council Tax Benefit helps those people on a low income, or no income, to pay their Council Tax. The Government sets the rules about who can claim Council Tax Benefit. If somebody meets those rules, they will receive a contribution towards their Council Tax bill. This contribution is paid directly to the Council – no money is paid directly to any individuals.

### **What is going to happen to Council Tax Benefit?**

At the moment, the Government gives the Council all of the money it needs to fund Council Tax Benefit. In Melton Borough last year (2011-2012), £2.5million was spent on Council Tax Benefit. Over the past five years, the amount of Council Tax Benefit paid has risen each year because more people are claiming.

From 1<sup>st</sup> April 2013, the Government is abolishing Council Tax Benefit and instead, all Councils must develop a local Council Tax support scheme. The Government will reduce the funding it provides to the Council for Council Tax support, and intends to save £373,000 – that's 10 per cent of the current cost of providing Council Tax Benefit in the Melton Borough.

Melton Borough Council is expected to reduce the amount it pays out in Council Tax support so that we can make this saving and balance our books.

In practice, we expect Government funding to reduce by more than £373,000 because of the way it intends to calculate the new grant it will provide to us for Council Tax support.

### **Who will these changes affect?**

Pensioners **are not affected** by these changes.

People who receive the existing single person's 25 per cent discount on their Council Tax bill **will not be affected**.

People who are exempt from paying Council Tax because they are severely mentally impaired and live on their own **will not be affected**.

Because the Government is reducing our funding, it is likely that **nearly everyone else** who is currently receiving Council Tax Benefit **will be affected** and will have to pay something towards their Council Tax in the future.

We will look at ways to try and protect some of the most vulnerable groups of people from paying, but one of the questions we are asking you as part of our consultation is who **you** think ought to be protected from paying. So it is impossible to say at this stage exactly who will have to pay and how much they will have to contribute.

### **Who will be able to get the new Council Tax support?**

Anyone who currently gets Council Tax Benefit will be assessed for the new Council Tax support scheme. If you currently get Council Tax Benefit, you will not need to re-apply, as you will automatically be re-assessed. However, the amount of money you get to help pay your Council Tax bill could change.

### **How much will I have to pay towards my Council Tax bill under the new Council Tax support scheme?**

It is likely that most working-age people who qualify for Council Tax support will have to pay more than they do now. It is impossible to say at this stage exactly who will have to pay and how much they will have to contribute.

You can help by telling us what you think of our plans to move to a new Council Tax support scheme.

### **How can I tell you my views?**

We are asking you for your views on how we support people to pay their Council Tax in the future. You can have your say by:

- Reading our information booklet and filling in the accompanying questionnaire. To request a copy of these, call 01664 502502 or email [reception@melton.gov.uk](mailto:reception@melton.gov.uk) .
- Completing the questionnaire online at [www.melton.gov.uk](http://www.melton.gov.uk)

**How long have I got to give you my views?**

We will consult you until Friday, 28 September 2012 to get your views on what a new Council Tax support scheme should look like.

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