

## **COUNCIL TAX BENEFIT IS CHANGING**

### **Frequently asked questions**

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

Council Tax is a locally set charge on all domestic properties. It is based on property values set by the Valuation Office Agency in April 1991.

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

In general, the residents of a property will be liable to pay the Council Tax whether they own or rent the property, provided that they are aged 18 or over. Everyone with the same legal interest in a property is equally liable. People who live together as a couple (either same or opposite sex) are equally liable regardless of any legal interest in the property. In some circumstances the owner may be liable instead of any residents.

#### **What does the Council Tax pay for?**

The Council Tax pays for services provided by Oadby and Wigston Council, Leicestershire County Council, Leicestershire Police Authority and Combined Fire Authority.

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

Council Tax benefit helps 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. In Oadby and Wigston Borough Council last year (2011/2012) £3.7 million was spent on Council Tax benefit. Over the past five years Council Tax benefits have risen each year because more people are claiming.

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

From 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 £371,000 – that is 10% of the current cost of providing Council Tax benefit in Oadby and Wigston.

Oadby and Wigston is expected to reduce the amount it pays out in Council Tax Support so that we can make savings and balance our books.

In practice we expect Government funding to reduce by more than £371,000 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.

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.

The existing single person's 25% discount on their Council Tax bill **is not affected** by these changes.

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

### **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 please email [benefits@oadby-wigston.gov.uk](mailto:benefits@oadby-wigston.gov.uk)
- Completing the questionnaire online at [www.oadby-wigston.gov.uk](http://www.oadby-wigston.gov.uk)
- If you require a large print version of our questionnaire or you need help with translations please email [benefits@oadby-wigston.gov.uk](mailto:benefits@oadby-wigston.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.

### **Is there anything this consultation isn't covering?**

Welfare reforms such as the changes to Housing Benefit and the introduction of Universal Credit are not part of this consultation.