

Council tax benefit is changing – frequently asked questions

What is council tax?

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

The council is responsible for collecting council tax and this money helps us to pay for local public services- including things like adult social care, environmental health, refuse collection and highway maintenance. Some of the money collected is passed to the Leicestershire Police and Fire Authorities.

Who has to pay council tax?

Council tax is usually paid by the people who are 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 will get a discount on their council tax.

The owner of a property pays council tax even if the property is standing empty- unless an exemption has been granted in line with the rules.

What is council tax benefit?

Council tax benefit helps those people on a low income, or no income, to pay for their council tax. Central 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 called 'council tax benefit' and it is credited directly on the claimant's council tax bill – no money is paid directly to individuals.

What is going to happen to council tax benefit?

At the moment, Central Government gives the Council all of the money that it needs to fund council tax benefit. In Rutland last year (2011-2012), £1.87 million was spent on council tax benefit. Over the past five years, council tax benefits have risen each year because more people are claiming it.

From April 2013, Central Government is abolishing council tax benefit and instead, all councils must develop a local Council Tax Support Scheme. The Government will reduce the funding that it provides to the council for council tax support, the Government intends to save 10 per cent nationally, of the current cost of providing council tax benefit.

Rutland County Council is expected to reduce the amount that it spends on council tax support in order to make this saving and to 'balance our books'.

We expect Government funding will reduce by more than £435,000 in practice, because of the way that the Government intends to calculate the new grant that 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 continue to receive this**.

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 plan to create a discretionary fund to protect some of the most vulnerable groups of people from paying, but one of the questions we are asking as part of our consultation is who **you** think ought to be protected from paying. 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 receive council tax benefit, you will not need to re-apply, as you will automatically be re-assessed. However, the amount of money which you get to help pay for 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 for the new council tax support scheme.

How can I give you my views?

We are asking you for your views on how we are able to 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 01572 722 577 or email enquiries@rutland.gov.uk.

- Completing the questionnaire online at by following the links from www.rutland.gov.uk
- Check our website for more information on other options

If you require a large-print or Easy Read version of our questionnaire, or you need help with translations, please call 01572 722 577.

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.

ENDS