



Citizens Advice Devon

# COVID-19: WHAT CAN YOU CLAIM?

## 4. HELP WITH COUNCIL TAX

### Contents

Introduction .....	2
Exempt properties .....	2
Who pays?.....	3
Disability Reduction .....	3
Discounts.....	4
Severe Mental Impairment.....	5
Council Tax Reduction.....	5
Council Tax Reduction Schemes in Devon .....	6
General information.....	6
East Devon .....	7
Exeter .....	7
Mid Devon.....	7

North Devon.....	7
South Hams.....	7
Teignbridge.....	8
Torridge.....	8

## Introduction

Council tax is a system of local taxation collected by local authorities. It is a tax on domestic property. Some property is exempt from council tax. Some people do not have to pay council tax and some people get a discount. The amount of tax charged depends on a variety of factors, including which valuation band it is put in. There are 8 bands from A (lowest) to H (highest).

If, because of a reduction in income, you are struggling to pay your Council Tax, make sure you check whether there is any help to pay available. Council Tax arrears are the debt we get most enquiries about, so please make sure you are getting all the help with paying for the tax you can.

## Exempt properties

Some properties are exempt from the Council Tax. Exemptions may be limited or permanent. Some examples are:

- condemned property
- property which has been legally re-possessed by a mortgage lender
- property left unoccupied because the person who lived there now lives elsewhere because they need to be cared for, for example, in hospital, in a care home or with relatives
- property which is unoccupied because the person who lived there has gone to care for someone else
- any property that only students live in - this could be a hall of residence, or a house (if the property is occupied by both students and non-students the property is not exempt but any students in the house are disregarded)

- a holiday caravan or boat if it's on a property where council tax is paid
- a property where all the people who live in it are aged under 18
- property which is occupied only by people with severe mental impairment
- a self-contained annexe where the person who lives in it is a dependent relative of the owner of the main property

## Who pays?

Council Tax is payable on property that people live in as their home. The property can be owned or rented, a house, bungalow, annexe, flat, maisonette, part of a house in multiple occupation, mobile home or houseboat. Where the property is not exempt, in most cases, one or more people living in the property be liable for the tax. In some cases, the owner is always liable, for example, where:

- the property is a hostel
- the property is a care home
- the person living in the property who would normally be the liable person is aged under 18
- in the case of hostels and care homes
- the property is not exempt but no one is living there as their home

Where the owner is not liable and the property is not exempt and it is lived in, there is a 'hierarchy of liability,' where the person or persons living in the property with most legal responsibility are usually liable. For example, if a couple are renting a two-bedroom house and their 30-year-old daughter comes to live with them but does not become a joint tenant, the couple are liable because they are the tenants and the daughter is not liable because she is either a sub-tenant or a licensee.

## Disability Reduction

Where this reduction applies, Council Tax is charged as if the property was valued in the band below the one it has actually been valued in. If the property is already in band A, a proportionate reduction is made.

There must be someone (adult or child) living in the household who is substantially and permanently disabled and the reduction applies if the property has at least one of the following:

- an extra kitchen or bathroom to meet the needs of a disabled person
- any other room (except a toilet) which is mainly used by a disabled person to meet their needs
- enough indoor space for a disabled person to use their wheelchair

The term 'substantially and permanently' disabled is not defined and councils must use their judgement when deciding on this.

You can check if you can get a reduction by using the 'Apply for a Council Tax discount' tool on GOV.UK <https://www.gov.uk/apply-for-council-tax-discount>

Councils may ask for supporting evidence, for example, a doctor's letter.

To apply, contact your local council.

## **Discounts**

The starting amount of the Council Tax is an amount based on the assumption that at least two adults live in the property. If, when you count the number of people living in the property, ignoring anyone who is 'disregarded', there are less than 2 left, a discount will apply. The discount is 25% if one person is left, 50% if no one is left. People who are 'disregarded' for the purposes of the discount system include:

- Someone whose sole or main residence is elsewhere
- Anyone aged under 18 and some young people under 20 in or treated as in education after leaving school
- Full-time students
- Someone who is severely mentally impaired
- A live-in care worker

There are other discounts which may apply, depending on your local council policy, or a premium in particular cases.

To apply for a discount, contact your local council.

### **Severe Mental Impairment**

For the purposes of council tax, a person is treated as severely mentally impaired if they have a severe impairment of intelligence and social functioning which appears to be permanent. It doesn't matter how this is caused, for example, whether from birth or caused later by an injury or through mental illness. This includes people with severe learning difficulties, degenerative diseases, such as Alzheimer's disease, and might include a person with chronic schizophrenia if the condition appears to be permanent.

To be disregarded for council tax a person must provide a certificate from any doctor (which the doctor must issue free of charge) stating that the person is severely mentally impaired and show proof that they're entitled to (although not necessarily in receipt of) one of a range of benefits for people with an illness or disability. The range includes Attendance Allowance, middle or highest rate care component of Disability Living Allowance, either rate of the daily living component of Personal Independence Payment and means-tested benefits which include certain additions for people with disabilities.

### **Council Tax Reduction**

Depending on where you live, Council Tax Reduction (CTR) (also called Council Tax Support) may be:

- a discount worked out as a percentage of your council tax bill
- a discount of an amount set out in the scheme
- a discount equal to the whole amount of the council tax bill - so that the amount payable is nil

Each local authority has its own scheme, so there are differences between schemes. You need to check the scheme for your own area and how to apply for it.

## **Council Tax Reduction Schemes in Devon**

### **General information**

People on a low income who can't afford to pay their council tax in full should apply for help under their local council's Council Tax Reduction / Support scheme.

For people over pension age, a national Council Tax Reduction scheme is in place which is administered by the district councils in Devon.

For people of working age (including couples where only one partner is over pension age), each council sets its own Council Tax Reduction / Support scheme.

The gov.uk website has a postcode search for people to find details of their own council's scheme and how to apply:

<https://www.gov.uk/apply-council-tax-reduction>

In the past, many councils calculated entitlement to Council Tax Support for people of working age in a similar way to Universal Credit or Housing Benefit (comparing *income* with *set limits* and using a sliding scale).

However, all councils in the Devon County Council area except Exeter and Torridge have now introduced a simplified banded scheme for people of working age. Under banded schemes, people may qualify for a percentage reduction in their council tax depending on their income and household size and type. Households with more than two dependent children or where a member of the household is disabled may qualify for less support than they would have done in the past.

Councils have received additional government funding to provide extra support to people during the coronavirus crisis.

From April 2020, everyone of working age who qualifies for council tax support should automatically get a further reduction of £150 (or the actual amount of the remaining council tax bill if below £150).

People who were getting council tax support when they received their new council tax bill for 2020/21 in March should have received a revised bill in April.

All councils also have discretion to reduce council tax by an additional amount under their Exceptional Hardship schemes. You should request extra discretionary help if the amount of council tax you have been asked to pay is more than you can afford, particularly if you have lost out as a result of the new banded schemes. Council tax reduction / support schemes for people of working age in Devon are summarised below.

### **East Devon**

Banded scheme introduced in April 2020. Discounts range from 25% to 85%. Capital limit of £6,000.

<https://eastdevon.gov.uk/benefits-and-support/council-tax-reduction/about-council-tax-reduction/council-tax-reduction-for-working-age-people/#article-content>

### **Exeter**

No changes made in 2020. Council tax support is calculated by comparing income with applicable amount and applying a sliding scale or taper. Maximum discount is 80%. Capital limit of £6,000.

<https://exeter.gov.uk/benefits-and-welfare/how-to-claim-benefits/what-you-need-to-know-about-benefits/>

### **Mid Devon**

Banded scheme introduced in April 2020. Discounts range from 25% to 85%. Capital limit of £6,000.

<https://www.middevon.gov.uk/residents/benefits/council-tax-reduction/>

### **North Devon**

Banded scheme introduced in April 2020. Discounts range from 16% to 80%. Capital limit of £6,000.

<https://www.northdevon.gov.uk/council-tax/council-tax-reduction-scheme/>

### **South Hams**

Banded scheme introduced in April 2019. Discounts range from 25% to 85%. Capital limit of £6,000.

<https://www.southhams.gov.uk/article/6643/Low-Income-Council-Tax-Reduction>

**Teignbridge**

Banded scheme introduced in April 2020. Discounts range from 25% to 100%. Capital limit of £6,000.

<https://www.teignbridge.gov.uk/council-tax/reduce-your-council-tax/council-tax-reduction/>

**Torrige**

No changes made in 2020. Council tax support is calculated by comparing income with applicable amount and applying a taper. Maximum discount is 75%. Capital limit of £6,000.

<https://www.torrige.gov.uk/article/11057/Council-Tax-Support>

***FOR FURTHER INFORMATION AND ADVICE:***

Visit [www.citizensadvice.org.uk](http://www.citizensadvice.org.uk) and search for 'coronavirus'

Phone: Devon Adviceline 9.00am–4.00pm Monday–Friday:

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