Council Tax Benefit is Changing

A guide to how you could be affected
What is Council Tax?

Council Tax is a local tax on domestic homes. It is set by the Council based on a property's valuation band. Each home is placed in one of eight valuation bands from band A to H, based upon its value on 1st April 1991. We are responsible for collecting Council Tax and this money funds other local services. Money collected is passed to Leicestershire County Council, Leicestershire Police Authority, Leicestershire Fire and Rescue and Town and Parish Councils.

Who has to pay Council Tax?

Every home in North West Leicestershire receives a Council Tax bill each year.

What is Council Tax Benefit?

Council Tax Benefit is currently paid to customers who are on a low income or who may be in receipt of other benefits (such as Income Support or Jobseeker’s Allowance). Entitlement to Council Tax Benefit depends on your personal circumstances and the national rules set by government. If you’re entitled to Council Tax Benefit and you claim it, your Council Tax bill is reduced by the amount of Council Tax Benefit you receive.

What is Changing?

From April 2013, the Government is ending the national Council Tax Benefit scheme and reducing by 10% the amount of money local councils can get to provide full discounts on Council Tax for working age people.

For North West Leicestershire, this means a reduction of £586,000 which the Council must now find to make up the shortfall. Central Government will also no longer set the rules on who will get help with their Council Tax.

Every Council will have to bring in a new scheme. This new scheme will be called Council Tax Support. Our scheme aims to be as fair as possible to protect the most vulnerable people in our communities.

Will the Single Person discount change?

No, the 25% single person’s discount will not change.
Who will be able to get the new Council Tax Support?

Everyone who is already receiving Council Tax Benefit will be assessed for the new Council Tax Support Scheme. It is likely that most people who currently qualify for Council Tax Benefit will get Council Tax Support, although the amount of support is likely to be less. Anyone liable for Council Tax can apply for Council Tax Support. They will be assessed in the same way as those customers who will be moving from Council Tax Benefit to Council Tax Support.

How much will I have to pay?

Most working age customers who qualify for Council Tax Support will have to pay more than they do now. If you do qualify for Council Tax Support under the new scheme this will reduce from the total amount of Council Tax you are required to pay. The amount of Council Tax Support you are entitled to will be shown on your Council Tax bill.

People who are entitled to claim, or are already claiming Pension Credit will not have to pay more than they do now.

Will I have to re-apply?

If you currently receive Council Tax Benefit you will not have to re-apply under the new scheme. You will automatically be re-assessed using the new rules and sent a decision letter with your new Council Tax bill in March 2013.

Will I have to pay council tax on empty homes?

The Government is also allowing local authorities the power to amend some existing council tax discounts and exemptions. Making some changes to discounts such as those for empty and unfurnished properties with help the Council to offset the amount of savings required.

Is North West Leicestershire the only council making these changes?

No, all Leicestershire District Councils have agreed to the following principles for the 2013/2014 Council Tax Year:

• All working age customers will have to pay something towards their Council Tax – this will be capped, so that the maximum contribution will be 8.5% of the total council tax bill in North West Leicestershire
• Second Adult Rebate will be removed.

There may be differences in the overall schemes, but these principles will be the same.
Does this affect any other benefits I currently receive?

No. These changes only affect Council Tax Benefit. Other welfare reforms such as the changes to Housing Benefit and the introduction of Universal Credit are not covered here. If you want to find out more about these changes, visit www.dwp.gov.uk

What happens next?

Details of the amount you need to pay will be shown on your Council Tax bill.

Need help or advice?

Web: www.nwleicestershire.gov.uk/benefitchanges
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