



Council Tax, Disabled People and their Carers



There are four ways in which your Council Tax bill can be reduced for disabled people and their carers. Only one of these is income related – the first three can be claimed whatever your income or savings.

All four can be claimed at the same time.

- They are: REVALUATION
- DISABILITY REDUCTION
- DISCOUNTS
- COUNCIL TAX BENEFIT

WHAT IS THE COUNCIL TAX?

The Council Tax helps pay for local Government – district, borough and county.

It is a mixture of a personal and a property tax, and no-one aged under 18 is liable.

Each property is placed on a banding system A to H, and charged accordingly. All properties are placed between A and H depending on their market value in 1991. Homes built after 1991 are valued at a level that the property would have fetched if it existed in 1991.

Some dwellings are fully or partially exempt from the charge and these plus the issue of liability are not addressed in this leaflet.

① REVALUATION

A property may be adapted for the use of a physically disabled person. If that adaptation increases the value of the property there is no effect on the Council Tax bill (apart from for the new owner once it is subsequently sold).

If the adaptation reduces the market value of the property you can apply for an immediate reduction. The sort of adaptation that might reduce the market value of a property includes features which would be unsightly and costly for a new owner to remove e.g. special wall or floor surfaces or bars on windows. The reduction takes the form of moving the property into a lower band. However the bands are quite broad, and so there would have to be significant reduction in value to make a difference.

Example

Carmen has mobility problems and has an effective but unsightly concrete ramp built onto the front of her house. She has an estate agent assessment of the property and it is de-valued considerably. Her home moves down one band and Carmen's Council Tax bill is reduced accordingly.

② **DISABILITY REDUCTION SCHEME**

This scheme applies if someone (adult or child) has a “permanent and substantial disability”, and the property can meet at least one of the following:

- there is sufficient floor space to enable a wheelchair to be used within the dwelling;
or
- a second bathroom or kitchen is needed by the disabled person;
or
- a room (not a bathroom, kitchen or toilet) is predominantly used by the disabled person;
and

these features are of essential or major importance to the disabled person in view of the nature and extent of her/his disability.

- Notes
- a) For wheelchair usage, the house does not have to be specifically adapted – the property might be naturally appropriate, with wide doorways etc.
 - b) There is no definition of a room “predominantly” used by a disabled person.

Examples include: a hobby room; a room for equipment (e.g. oxygen cylinders); conservatory for someone keen on gardening who cannot get outside; or to allow a couple to now sleep in separate rooms because one has a disability.

- This scheme is very much geared to individual circumstances.

The effect of the reduction is move the property into the next lowest band.

If you are already on the lowest Band A, the bill is reduced by one-sixth of your bill.

To claim a Disability Reduction contact your local Council Tax office.

③ **DISCOUNTS**

The assumption behind the Council Tax is that there are at least 2 people present in a property. The “property” element represents the first 50% of the bill and the “personal” element the other 50%. If there is only one person living in the house the bill is (50% and 25% =) 75% of the charge.

However in certain circumstances a person might be present in the house but “invisible” for Council Tax purposes, so reducing the bill via a “DISCOUNT”. There is a list of people who may be living in the house but who are discounted.

They include:

(A) SEVERE MENTAL IMPAIRMENT (SMI)

The definition of someone who is SMI is someone with a severe mental impairment relating to intelligence and social functioning, from whatever cause, which appears to be permanent and who:

- has a certificate from a registered medical practitioner confirming their condition;

and

- is entitled to any of the following benefits:

Incapacity Benefit/ ?ESA /, Severe Disablement Allowance, Attendance Allowance, Constant Attendance Allowance, the middle or highest rate of Care component of the Disability Living Allowance, disability element of Working Tax Credit, unemployment allowance, or an increase for constant attendance in a disablement pension;

Example:

Regine lives with her partner Elliot. Elliot has a diagnosis of paranoid schizophrenia and is deemed 'SMI'. Their Council Tax bill is reduced by 25%.

Note: If all of the occupants of a house are SMI the property will be completely exempt from Council Tax.

(B) CARERS

There are two kinds of Carers Discounts – Care Workers and 'informal carers'. The following relates to informal carers, i.e. usually a friend or relative.

A discount can be given for every person in the house who meets the following:

- cares for a disabled person for at least 35 hours per week (you must be living in the same 'dwelling' at that person), *and*
- the disabled person is in receipt of the highest rate Attendance Allowance or Disability Living Allowance Care component (or their equivalent in Constant Attendance Allowance), *and*
- s/he lives with you, *and*
- s/he is not your married or unmarried partner, nor
- your own child aged under 18
(it could be a foster child, or your own child aged 18 or over).

Example

Judy and Pete care for Ryan (22) who has a learning disability. He gets DLA Care at the highest rate. Both Judy and Pete look after Ryan for over 35 hours each – although Pete works full-time, he ‘does his bit’ at the weekend and at night. They are entitled to two Carers Discounts. This leaves Ryan as ‘visible’ and reduces their Council Tax bill by 25%.

However Ryan meets the rules for a SMI discount and so the bill is reduced further, to 50%.

Other discounts include: Care Workers; full time students; anyone under 18; anyone aged 20 for whom Child Benefit is payable and anyone who normally lives elsewhere.

To apply for a Discount, contact your local Council Tax office and ask for the relevant form(s).

- Note: a) Disability Reduction and Discounts can be backdated for any period for which the rules applied, back to its introduction in April 1993.
- b) All forms of reduction can be claimed (in the order listed above).

④ **COUNCIL TAX BENEFIT (CTB)**

This is the only means tested part of the Council Tax assistance system. The Council Tax amount used in the calculation is after all of the above (non-means tested) reductions are made.

Council Tax Benefit is payable to anyone – owner occupier or tenant – whose income is low. For people in receipt of the guarantee element of Pension Credit there is no upper capital limit, for everyone else the limit is £16,000.

The benefits section of your local Council will have the relevant claim form.

The information in this fact sheet is correct as of April 2009

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