

#### 54) COUNCIL TAX - The latest in a series of articles by Iain Gregory of Caithness CAB

The other day I saw the postie coming up the drive and, amongst the various begging letters from annoying utility providers and HMRC, I spotted an ominous looking envelope which I examined carefully before applying the letter opener to it. It transpired to have been sent to me by The Highland Council and contained a demand for an astonishingly large sum of money in respect of Council Tax for the coming financial year. It included a sum, which was apparently due for Scottish Water Services and, having seen how much that was for, I was relieved that I do not have to pay for waste water as well, due to having my own drainage system. Having recovered from the shock I picked up a copy of the Groat, hoping to find a cheering story, but noted that one of the main articles concerned the fact that it is proposed that we will all have to pay parking charges in order to abandon our vehicles amongst the potholes in what are euphemistically described as "car parks" in our major towns – I am not sure who owns the facility by Wick Riverside opposite the bus stop, but I have ceased to use it as I am scared of losing my car in one of the many pits haphazardly scattered around the place and have no intention of paying for the privilege. What the introduction of parking charges will do to our local businesses I hate to think, but I digress.

Anyway, we have no option but to pay our Council Tax, which has gone up by 3% this year. As a matter of fact 3% was the maximum amount councils were permitted to raise the cost by. I wonder if you can guess how many Scottish local authorities settled on less than that? So are there any ways in which you can reduce the cost? A lot depends on your income and the valuation of your home. The way CT is set is a bit odd, so it is worth explaining. Your home will be placed in one of eight valuation bands and the basis of valuation is the value of the dwelling if it were sold on 1 April 1991. The aim is for bills to vary accordingly to the relative values of properties within the local area on a particular date. A single date is used because values can change quickly and for fairness all dwellings need to be valued on the same day. Changes in house prices since April 1991 do not affect CT valuations. The fact that a dwelling's value is now less than in April 1991 does not mean that the valuation is wrong. If the dwellings in an area are now worth less, the same drop in value will usually have affected all the other dwellings in the area. Their relative values are therefore the same even if the actual valuation is now out of date. The Scottish bands are:-

- A Up to £27,000
- B Over £27,000 and up to £35,000
- C Over £35,000 and up to £45,000
- D Over £45,000 and up to £58,000
- E Over £58,000 and up to £80,000
- F Over £80,000 and up to £106,000
- G Over £106,000 and up to £212,000
- H Over £212,000

Now, you can appeal your banding but I would urge caution. It is not unknown for people to do this and end up in a higher band. I recall that my father appealed the banding of the family home at Huna not long after 1991, and he was successful, but he did have a good case. If you are building a new home it is always worth investigating just how much the CT is likely to be before committing yourself. Again, my argument is that the system is basically wrong because it is based purely on a notional property value and insufficient allowance is made for all the other factors, which come into play.

So what about reductions? Well, we have a lot of information about this on our CCAB advice system and here is a summary for you:- “CTR schemes in Scotland are national systems set up by the Scottish Government and administered by councils. If you are eligible for CTR, it can reduce your liability to pay CT. If you are awarded a CTR you will receive a CT bill that has been adjusted to show the reduced liability. There are two types of CTR in Scotland:

- the primary CTR scheme
- bands E-H relief CTR, which was introduced from 1 April 2017. This is only applicable to low income clients who are liable for CT on a property in CT band E-H. It was introduced to provide relief after the tax for these properties increased from 1 April 2017. This CTR is calculated differently from main CTR. If you live alone then you are also eligible to apply for what I tend to refer to as “single person rebate” otherwise known as “second adult rebate” for some reason.

You can only be eligible for either main CTR, bands E-H relief CTR or second adult rebate, whichever amount is the greatest, and this can get confusing. Take the example of a single pensioner on a “low income”, resident in a large house. She might be eligible for “single person rebate”, “Main scheme CTR” or “Band E-H” reductions and probably qualifies for each of them. The only way to work out what is best for you is by carrying out a “better-off” calculation and for this I would advise you to speak to CCAB because we will do it for you. All you need are the details of your income (exact) and your CT bill and we will do the rest. And, while we are at it, we are more than happy to see if you are eligible for Pension Credit, if you are older, or anything else if you are of working age.

Are you a student? Then please come and see us – the rules can get a bit complex, especially if you live in a home with other people who are not students - and we will guide you through the process to make sure that everything is done correctly. CCAB take particular interest in helping people with disabilities and it is worth having a look at the “Disability Reduction Scheme”. And if someone has “Severe Mental Impairment” then there is another avenue - a property which is occupied solely by one or more people who are 'severely mentally impaired' and who would otherwise be liable for CT is exempt. (If someone else is liable for the tax, for example, the owner of the

property, the property is not exempt). One final point is that In Scotland an exemption to pay CT normally means that there is an exemption for payment of water and sewerage charges as well because they are all paid together. This can get very complicated when the person has a metered water supply so, as always, please get in touch.

So there we have it – we all have to cough up, but it is always wise to make sure that you are only coughing and not choking. And on that note I have a day off today so I am going to Wick and am going to search for the smallest pothole I can find in which to park and, for the time being, will not have to pay for it”