What does the consultation seek to do?
The consultation is aimed at balancing the interests of the general public. By seeking the views of residents and interested groups through the public consultation, we hope to develop a scheme which protects vulnerable people and pays for the reduction in government funding in full.

Why am I being consulted?
The Council has to make some significant changes that affect many residents in the District and others who own property here. It is important that anyone is able to express a view on the proposals that have been made.

Do my views matter?
Yes, very much so. Your ideas and suggestions are very welcome and all views will be considered. What is most important is to achieve the correct balance between the needs and wishes of all the community.

Will South Lakeland District Council (SLDC) be replying to every response or letter received?
Unfortunately due to the number of letters and questionnaires we expect to receive we cannot reply to everyone, but all comments received will be considered.

We will communicate as much information as we can by using the Council's website and other communication channels. We are happy to receive your views by post or email, and preferably through the questionnaire.

Council Tax

What is Council Tax?
Most dwellings are subject to Council Tax and the amount you pay is based on the capital value of your property. All valuations are as at 1 April 1991 and your property is placed into one of the following bands:

<table>
<thead>
<tr>
<th>Band</th>
<th>Value Range</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Band A</td>
<td>Up to £40,000</td>
<td>(6/9)</td>
</tr>
<tr>
<td>Band B</td>
<td>£40,001 to £52,000</td>
<td>(7/9)</td>
</tr>
<tr>
<td>Band C</td>
<td>£52,001 to £68,000</td>
<td>(8/9)</td>
</tr>
<tr>
<td>Band D</td>
<td>£68,001 to £88,000</td>
<td>(9/9)</td>
</tr>
<tr>
<td>Band E</td>
<td>£88,001 to £120,000</td>
<td>(11/9)</td>
</tr>
<tr>
<td>Band F</td>
<td>£120,001 to £160,000</td>
<td>(13/9)</td>
</tr>
<tr>
<td>Band G</td>
<td>£160,001 to £320,000</td>
<td>(15/9)</td>
</tr>
<tr>
<td>Band H</td>
<td>More than £320,000</td>
<td>(18/9)</td>
</tr>
</tbody>
</table>

South Lakeland District Council sets the Council Tax payable each year and provides money for the expenditure of South Lakeland District Council, Cumbria County Council, Cumbria Police Authority and Parish or Town Councils.

Properties in Band H pay double the amount of a property in Band D but a property in Band A pays only 6/9 of a Band D property.

The fractions in brackets in the table give the proportions you pay in each Band. The Band of your property and the amount you pay are shown on the Council Tax bill you receive each year.
What is Council Tax Benefit?
Council Tax Benefit is a Social Security Benefit administered by the Council to help people pay Council Tax if they are on a low income. Anyone who has to pay Council Tax can make a claim.

How is the Council Tax Benefit worked out?
The amount of Benefit paid depends on four things:
- The amount of any savings
- The amount of any income
- Personal circumstances (for example age, disability, number of children, whether there are other people living in the house)
- The amount of the Council Tax charge.

For any customers not in receipt of Income Support, Job Seekers Allowance (Income Based) or Employment and Support Allowance (Income Related) the full amount of the Council Tax charge is the starting point for the calculation. For everyone else, their weekly income is compared to the amount of money the Government say people need to live on each week. This is called the applicable amount.

For more information, including a benefit calculator visit the Council Tax Benefit pages of the SLDC Website

Council Tax Discounts and Exemptions

Are there any exemptions from paying Council Tax?
From 1 April 2013 the Government will be giving Local Councils much more discretion on whether to award discounts and at what amount but many of the current exemptions will remain in place including vacant properties that:
- are left empty by someone who has moved to receive personal care in a hospital or a home or elsewhere
- are left empty by someone who has moved to provide personal care to another person
- are owned by a student who last lived there
- are waiting for probate to be granted
- have been repossessed
- are the responsibility of a bankrupt’s trustee
- are empty because their occupation is prohibited by law
- are waiting to be occupied by a minister of religion
- are annexes of a main property which cannot be let separately for planning reasons.

What is a second home and how many are there in South Lakeland?
A second home is a property which is furnished but is not the sole or main residence of anyone. At present there are about 3,850 second homes in the District that currently receive a 10% Council Tax discount.

What is an empty home and how many are there in South Lakeland?
An empty home is one which is unoccupied and unfurnished. There are about 1,100 properties in South Lakeland that have been empty for over 6 months and a further 650 that have been empty for less than 6 months.
What is the legislation which is making the changes?
The Welfare Reform Act 2012 abolishes Council Tax Benefit with effect from 1 April 2013. The Local Government Finance Bill introduces the new Local Tax Reduction Scheme to replace it and also includes the discretion for councils to reduce or remove some Council Tax discounts on second homes and empty properties. It is expected that the changes will become law in the autumn of 2012.

Why are the Government reducing the grant they pay the Council for help they give people to pay Council Tax?
The Government has said that it is making these changes to:
- Save about £500m annually as part of the deficit reduction programme
- Contribute to the welfare reform programme and in particular to improve work incentives; and
- Develop the ‘Localism’ agenda. As the Local Council Tax Reduction Scheme will be determined locally rather than by Central Government.

What is the Government’s Default Scheme?
From 1 April 2013 every Council will need to introduce a Local Council Tax Reduction Scheme to replace the current Council Tax Benefit Scheme. Some Council’s may not do this so the Government will then impose a scheme known as the ‘Default Scheme’. Calculations under the ‘Default Scheme’ will be the same as they are now as explained above. SLDC wants to protect all our current benefit claimants, some of whom are vulnerable, so they will be no worse off under our Local Scheme and therefore proposes to adopt the Default Scheme in a positive way.

How much will the reduction in Government Grant be and how will the Council find the money to pay for it?
The reduction in Government Grant will be about £560,000. SLDC’s main proposal is to remove the 10% Council Tax Discount on second homes, which will adequately cover this amount.

Why is the Council proposing to remove Council Tax Discounts on second homes?
South Lakeland has a high number of second homes. Communities in South Lakeland regularly tell us, through surveys and their Community Plans, that second homes are an issue in their local area with some villages having nearly half the properties occupied as second homes. Second homes can affect communities in a number of ways, local businesses including post offices, pubs and shops have reduced custom throughout the year and often have to close. Local schools face challenges with pupil numbers and local people have to move away from the area due to higher house prices.

The Council lobbied the Government to remove the mandatory Second Home Council Tax Discount of up to 50%. This has now been agreed as part of the changes through the Local Government Finance Bill and SLDC would like to use the income it will generate to meet the funding shortfall and help those who are vulnerable in the district.

Why is the Council considering removing or reducing Council Tax Discounts on empty properties?
At this point no proposals have been made but this would bring in some additional money to the Council which will help us to maintain services and keep down any future Council Tax increases. The Council also has a shortage of homes available for local people and increasing Council Tax may persuade owners to let or sell these properties. The Council knows that there are many different reasons why properties are empty and it is important for everyone to let us know their views before any decisions are made.
What happens next?

What are the next steps?
The results of the consultation will be used to help us decide how to progress our Council Tax Reduction Scheme and whether to continue with the proposal to use the income from removing the second home discount, which will provide sufficient funds to meet the shortfall from the Government Grant. These will form the report to SLDC councillors in December 2012 for the approval to go forward.

The results of the consultation will also be put on the website www.southlakeland.gov.uk/council-tax-reduction-scheme and in South Lakeland News.

How long will this take?
The schedule for the introduction of the Council Tax Reduction Scheme is shown in the table below but keeping to this timetable depends on when the Bill now before parliament becomes law.

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>SLDC Cabinet agrees outline proposals</td>
<td>25 July 2012</td>
</tr>
<tr>
<td>Initial consultation with Police Authority and County Council</td>
<td>Mid June to mid July 2012</td>
</tr>
<tr>
<td>Consultation with existing claimants, County, Police and interested stakeholders</td>
<td>August-October 2012</td>
</tr>
<tr>
<td>Consideration by Overview &amp; Scrutiny Committee</td>
<td>9 August 2012</td>
</tr>
<tr>
<td>Cabinet recommends final SLDC Council Tax Reduction Scheme after considering representations from consultation (Key Decision)</td>
<td>28 November 2012</td>
</tr>
<tr>
<td>Council agrees final SLDC Council Tax Reduction Scheme</td>
<td>18 December 2012</td>
</tr>
<tr>
<td>Tax Base set</td>
<td>31 January 2013 (latest)</td>
</tr>
<tr>
<td>Local scheme software operational</td>
<td>15 February 2013</td>
</tr>
<tr>
<td>South Lakeland Council Tax Reduction Scheme takes effect</td>
<td>1 April 2013</td>
</tr>
</tbody>
</table>

Have we answered your question?

If we haven't answered your question, please contact us
If your question isn’t answered here, or you have any further questions, please get in touch with us:
Telephone our Customer Contact Centre on 0845 050 4434, which is open from 8am to 6pm, Monday to Friday; or email counciltax@southlakeland.gov.uk.