

CTIL 8

13 November 1996

Dear Chief Finance Officer

This is the eighth council tax information letter.

Council tax and students

Local authorities will be aware of the problems that arise where students live with people on income support. Although students are not counted when calculating the household bill, and are themselves eligible for council tax benefit, they are counted when council tax benefit is calculated for those on income support. Similar problems do not arise in relation to other discounted individuals because other discounted people on low income are eligible for council tax benefit.

Ministers have therefore decided to remove students from joint and several liability in certain circumstances. However this change will require primary legislation, which we do not currently have in prospect. As an interim measure the Department of Social Security have therefore put forward proposals to amend the council tax benefit rules, with effect from 1 April 1997, so that where a student shares accommodation with a benefit recipient the student will be disregarded when the other person's benefit entitlement is calculated.

In answering a written question in Parliament on 6 November, David Curry, the Local Government Minister, said:

“ At present when a student shares accommodation with a recipient of council tax benefit the joint liability for council tax is higher than if each lived separately. We propose to end this anomaly by amending the council tax liability rules to exclude students from joint and several liability as soon as we have an opportunity to amend primary legislation.

As an interim measure my Right Hon Friend, the Secretary of State for Social Security, has submitted a proposal today to the Social Security Advisory Committee to amend the council tax benefit rules, with effect from 1 April 1997, so that where a full time student is jointly liable with a benefit recipient their presence in the household will be ignored in the calculation of council tax benefit. This will have a similar effect to the longer term solution.”

We will keep authorities informed of developments. Meanwhile, any enquiries should be directed to Jeremy Ketley on 0171-276 0512.

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