

Worksheet 1.21a: How are councils funded?

Councils are funded by:

1. Council tax

2. Business tax

3. Charges

4. Central government

1.
 - a. How fair is it that council tax is most expensive for citizens in big houses?
 - b. Full-time college/university students aren't charged council tax. Why do you think the government has made this decision?
2.
 - a. Business rates are paid by shops, offices and so on. However, they are also paid, alongside council tax, by people who have converted part of their house into a business (e.g. they have a nail salon in their garage). Is this fair? Explain your answer.
 - b. Charities don't usually pay any business rates on their buildings. Why do most citizens approve of this?
3.
 - a. Fines on library books are charged by councils, to help pay for services in the area. Should we just increase council tax instead?
 - b. Some councils have been criticised for charging too much for parking fines. Do you think parking fines are a useful way of raising funds to pay for services in the community?
4.
 - a. Funding from central government is given to every council. Is this a sensible use of taxpayers' money? Why/why not?
 - b. Why do local councils prefer to make decisions themselves about how central government funds are spent (rather than being told what to buy by politicians in the Houses of Parliament)?