

## **EXECUTIVE NOTE**

### **THE COUNCIL TAX (DISCOUNTS) (SCOTLAND) AMENDMENT ORDER 2011**

#### **SSI 2011/5**

The above instrument is made in exercise of the powers conferred by section 113(1) of, and paragraphs 4 and 5 of Schedule 1 to the Local Government Finance Act 1992. The instrument is subject to the negative resolution procedure.

#### **Purpose**

The purpose of the Order is to make provision for persons who are undertaking a full-time course of education with an educational establishment situated in any Member State of the European Union to be treated as students for council tax purposes in Scotland. The Order also clarifies that distance learners who undertake full time courses of education are to be treated as students for council tax purposes by removing the requirement for attendance and expressly stating that tuition can be received at the premises of the institution or otherwise.

#### **Background**

This Order harmonises the treatment of students living in Scotland with those in England and Wales in respect of payment of council tax. Similar legislation was recently introduced in England and Wales.

The Order makes amendments to the provisions of the Council Tax (Discounts) (Scotland) Consolidation and Amendment Order 2003 (“the 2003 Order”) so far as they relate to the definition of “student”.

The 2003 Order makes provision for certain prescribed persons to be disregarded when calculating the amount of council tax payable by a household in Scotland. Article 6 provides a definition of who will qualify for discount by virtue of being a “student”.

This Order makes three substantive changes to this definition. Firstly, the Order includes within the definition of “student” those who are students of institutions situated in Member States other than the United Kingdom. It also ensures that a consistent approach is taken to students of UK and other EU institutions by including courses provided by other EU institutions within the definition of “excepted course” in Schedule 1. Secondly, it includes students who are undertaking courses by way of distance learning. Thirdly, it includes students who are on work experience placements which are not required to be undertaken as part of a course but which are arranged or permitted to be undertaken by the relevant educational institution.

#### **Policy Objective**

The Order harmonises and clarifies the treatment of students throughout the UK for council tax purposes. This will ensure that no matter where a student studies throughout Europe they will be treated in the same way in so far as this relates to payment of council tax.

## **Consultation**

Although there is no statutory obligation to consult on these amendment regulations, a consultation took place from 15 November to 9 December 2010. Of the 139 consultees invited to comment, 24 substantive responses were received, all of which were broadly supportive of the proposed change.

## **Financial Effect**

The Order will have a negligible effect on the amount of council tax paid

Local Government Division  
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