

POLICY NOTE

THE COUNCIL TAX REDUCTION (SCOTLAND) AMENDMENT (No.4) REGULATIONS 2013

SSI 2013/287

1. The above instrument is made in exercise of the powers conferred by sections 80 and 113 of, and paragraph 1 of Schedule 2 to, the Local Government Finance Act 1992. It is subject to the negative procedure.

Policy Objective

2. The UK Government's abolition of Council Tax Benefit from April 2013 included a transfer of funding to allow the Scottish Government to take over responsibility for addressing the difficulties which persons on low income or who are otherwise vulnerable might face in meeting liability to Council Tax. The Scottish Government provided for a Council Tax Reduction Scheme for such people, which provides that their liability to Council Tax is lower than it would otherwise have been.

3. The scheme operates by reducing liability, which it is within devolved competence to provide, rather than by providing a replacement social security benefit to meet liability (which would be reserved to Westminster under the current devolution settlement). The Council Tax Reduction (Scotland) Regulations 2012 and the Council Tax Reduction (State Pension Credit) (Scotland) Regulations 2012 (jointly referred to as "the principal Regulations") came into force on 28 January 2013.

4. This instrument amends the principal Regulations. In particular, it amends the provision in the Council Tax Reduction (Scotland) Regulations 2012 for calculation of Council Tax Reduction in cases where an applicant is in receipt of Universal Credit, in advance of the start of Universal Credit roll-out in Scotland by the Department for Work and Pensions (DWP) later this year.

5. These Regulations also address a small number of minor issues identified in relation to the Council Tax Reduction Scheme. An example is the insertion of provision for the operation of references to a child and a young person in situations where that person is deceased, but child benefit continues to be payable for a period of time. A similar provision was removed from the principal Regulations in response to concerns that its effect was unclear, and the revised provision seeks to address these concerns.

6. All of these amendments are consistent with the original policy intention of the Council Tax Reduction Scheme.

Consultation

7. Formal consultation was not considered to be necessary as these amendments do not alter the overall policy intention of the principal Regulations. However, the Scottish Government has worked with the Convention of Scottish Local Authorities, the Institute of Revenues, Ratings and Valuations, local authority revenues and benefits practitioners, local

authority software suppliers, and the DWP in the development of these Regulations and in advance of the roll-out of Universal Credit in Scotland.

Financial Effects

8. The amount of Council Tax Reduction which an applicant receives is derived from their income less their deemed living expenses. The principal Regulations are amended to refine their mechanism for calculating Council Tax Reduction when an applicant is in receipt of Universal Credit, including how income from Universal Credit awards is treated.

Impact Assessments

9. The policy will have a potential equalities impact and therefore an Equalities Impact Assessment (EQIA) has been undertaken. A summary of the results of the EQIA has been made available on the Scottish Government's website. Equalities impacts are being continually reviewed and evaluated during the implementation of the Council Tax Reduction Scheme this year.

10. As the policy has no direct impact on business or the third sector, or on the environment or environmental issues, neither a Business and Regulatory Impact Assessment (BRIA) or a Strategic Environmental Assessment (SEA) is required.

11. Implementation of the Council Tax Reduction Scheme will involve the use and storage of personal data, such as date of birth and postcode of Council Tax Reduction recipients. This data will be supplied to the Scottish Government by local authorities. In order to ensure the risks involved in transferring, processing and storing this data are assessed, and kept to a minimum, a Privacy Impact Assessment has been carried out, including a Risk Identity checklist.