

## **POLICY NOTE**

### **THE COUNCIL TAX (INFORMATION-SHARING IN RELATION TO COUNCIL TAX REDUCTION) (SCOTLAND) REGULATIONS 2013**

#### **SSI 2013/87**

1. The above instrument is made in exercise of the powers conferred by paragraph 15C of Schedule 2 to the Local Government Finance Act 1992. It is subject to the negative procedure. The instrument is made with the consent of the Commissioners for Her Majesty's Revenue and Customs.

#### **Policy Objective**

2. The Scottish Government has introduced measures to reduce the Council Tax liability of persons who have a low income following the UK Government's abolition of Council Tax Benefit from April 2013. 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"), which came into force on 28 January 2013, ensure that persons in receipt of Council Tax Benefit will not be disadvantaged by its abolition and will receive an equivalent reduction in liability for Council Tax (provided their circumstances remain the same) to the support they would have received by way of Council Tax Benefit.

3. As part of a Local Authority's consideration of an application, verification of information may be required from a number of sources. Depending on the nature of the application, information may be needed from Her Majesty's Revenue and Customs (HMRC). In practical terms, this relates to tax credits and, once Universal Credit is implemented, income information.

4. An amendment was made to the Local Government Finance Act 1992 by the Local Government Finance Act 2012 to establish the legal gateway for data sharing, with the purposes for which information could be shared to be prescribed in Regulations made by the Scottish Ministers.

5. These Regulations set out the purposes relating to Council Tax for which HMRC may share data with Scottish Local Authorities, persons authorised to exercise Council Tax functions of such authorities, and persons providing such authorities with services relating to Council Tax. Namely, these are: (i) Determining a Council Tax Reduction (CTR) application; (ii) Reviews and/or appeals against a CTR determination; (iii) Prevention or detection of fraud or error related to CTR applications; and (iv) Action as a result of fraudulent applications.

6. The Regulations set out the same purposes as those for which HMRC data may be used once supplied; in other words, information supplied for one purpose can be used for another. The Local Government Finance Act 2012 specifies that Regulations can only be made with the consent of the Commissioners for HMRC. This provides assurance that HMRC are aware of, and content with, the purposes that their data may be used for.

## **Financial Effects**

7. As Local Authorities presently receive data from HMRC for Council Tax Benefit purposes and will continue to do for Housing Benefit purposes, ICT systems already exist to support the exchange of data. These allow Local Authorities' administrative costs and claimant compliance costs to be minimised. Not replicating these arrangements for CTR would therefore impose new costs on both Local Authorities and applicants.

## **Impact Assessments**

8. An Equalities Impact Assessment (EQIA) was undertaken in development of the principal Regulations, and equalities impacts will be reviewed and evaluated during the implementation of the Council Tax Reduction scheme from April onwards. These Regulations do not alter the policy intention of the principal Regulations, therefore a further EQIA has not been produced. As there is no impact on business or the third sector, and no impact on the environment or on environmental issues, no Business and Regulatory Impact Assessment or Strategic Environmental Assessment is required.

Local Government and Communities  
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