

POLICY NOTE

THE COUNCIL TAX REDUCTION (SCOTLAND) AMENDMENT REGULATIONS 2015

SSI 2015/46

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 developed 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 do, 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. The above instrument amends the principal Regulations to reflect the UK Government's uprating of social security benefits for 2015/16. This is done by amending various figures in the principal Regulations, with the effect being to increase certain figures which are used in calculating whether an applicant is entitled to a reduction and, if so, the amount of that reduction.

5. The uprated figures include the applicable amount (which reflects deemed living expenses and against which income is assessed to determine entitlement), premiums which are awarded to reflect certain circumstances, and the non-dependant deductions which reflect other adults living in the dwelling who are not dependants of the applicant.

6. In addition to uprating, the regulations also make a small number of amendments to the Council Tax Reduction Scheme. These include amending the definition of "couple" to reflect the introduction of same sex marriage, extending the classes of person who do not need to be habitually resident in the United Kingdom in order to be able to qualify for a Council Tax Reduction, and amending provision for review of a determination on an application for a Council Tax Reduction in order to further consistency in such reviews.

7. All of these amendments are consistent with the original policy intention of the Council Tax Reduction Scheme to maintain liability as would have existed taking account of Council Tax Benefit.

Consultation

8. Formal consultation was not considered to be necessary as these amendments do not alter the policy intention of the principal Regulations. However, the Scottish Government has worked with the Convention of Scottish Local Authorities (COSLA), the Institute of Revenues, Rating and Valuation (IRRV), and local authority revenue and benefits practitioners in development of these Regulations.

9. COSLA have endorsed the application of the UK social security benefits uprating for 2015/16 to the Council Tax Reduction scheme.

Financial Effects

10. The amount of Council Tax Reduction which an applicant will receive is based on their income less their deemed living expenses. The principal Regulations are amended to take account of increases in social security benefit rates for 2015/16 so that the increased income from social security benefits treated as income in the Council Tax Reduction Scheme (such as the retirement pension) does not serve to increase liability to Council Tax for those in receipt of social security benefits.

Impact Assessments

11. An Equalities Impact Assessment (EQIA) was undertaken in development of the principal Regulations, and equalities impacts are being reviewed during the implementation of the Council Tax Reduction scheme. As these amending Regulations do not alter the policy intention of the principal Regulations, a further EQIA has not been produced.

12. 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

Scottish Government

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