

POLICY NOTE

THE COUNCIL TAX REDUCTION (SCOTLAND) AMENDMENT (No. 2) REGULATIONS 2017

SSI 2017/326

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

Policy Objective

2. This instrument amends the Council Tax Reduction (Scotland) Regulations 2012 (“the Working Age Regulations”) and the Council Tax Reduction (State Pension Credit) (Scotland) Regulations 2012 (“the Pension Age Regulations”), jointly referred to in this Note as “the principal Regulations”. The Council Tax Reduction Scheme operates by reducing a household’s council tax liability by taking into account their circumstances and income.

3. The three areas being amended relate to:

- changes to enable a local authority to disregard income from the charitable funds established to assist those affected by the 2017 terrorist attacks in Manchester and London.
- changes to enable income from the new Bereavement Support Payment to be disregarded when calculating an applicant’s level of council tax reduction.
- changes following the UK Government’s abolition of the work related activity component in Employment Support Allowance (ESA).

Terrorist attacks charitable funds

4. Following the terrorist attacks in London and Manchester earlier this year emergency funds have been set up to help those affected. These funds are the ‘London Emergencies Trust’ and the ‘We Love Manchester Emergency Fund’ respectively. This instrument amends the principal Regulations to disregard in full, within the Council Tax Reduction scheme, any payments made from the London Emergencies Fund and the We Love Manchester Emergency Fund. This is in line with the same principle as was followed for payments from the London Bombings Relief Charitable Fund following the events in July 2005. The disregard will apply to any payments from the ‘London Emergencies Fund’ and the ‘We Love Manchester Emergency Fund’ irrespective of the value of the payment or the way it is made.

Bereavement Support Payment

5. The UK Government introduced a new benefit, Bereavement Support Payment (BSP), in relation to deaths on or after 6 April 2017, replacing three existing benefits: the Bereavement Payment, the Bereavement Allowance, and the Widowed Parent’s Allowance. This instrument follows the same approach with BSP as has been taken in Housing Benefit Regulations. It amends the Working Age Regulations and Pension Age Regulations to ensure

income from BSP is disregarded for those of working age for 52 weeks from the date of the first payment.

Employment Support Allowance

6. Employment Support Allowance (ESA) provides support to those who are ill or people with disabilities if they are unable to work or need assistance to work. There are two types of ESA: Contribution-based ESA and Income-related ESA. Applicants for both types of ESA undergo a work capability assessment to determine whether they are placed in:

- the Work-Related Activity Group, who will have regular interviews with an advisor, and in the past received the Work Related Activity Component within ESA; or
- the support group, who do not have regular interviews and are not expected to prepare for work (e.g. because they have a child under the age of 1).

7. As part of DWP changes to ESA the Work Related Activity Component (WRAC) within ESA is being abolished. This instrument amends the Pension Age Regulations so that those in the work related activity group within ESA are treated within the CTR scheme in the same way as those who receive, or would previously have received, the ESA work related activity component. No amendments were necessary to achieve this in the Working Age Regulations. Currently a £29.05 a week premium is added to the applicable amount in the CTR scheme for those who receive the work related activity component within CTR, with those on ESA and in the support group receiving a £36.55 a week premium.

Consultation

8. These amendments do not alter the policy intention of the principal Regulations, so a formal consultation was not considered necessary. However, the Scottish Government has engaged with the Convention of Scottish Local Authorities (COSLA), local authority revenue and benefits practitioners, and their software suppliers concerning these Regulations.

Financial Effects

9. The changes in relation to BSP and ESA should have almost no impact upon the amount of tax revenue foregone by local authorities, as the amendments are intended to ensure that the CTR regulations continue to deliver the same level of support as was provided before the UK Government changes to benefits.

10. We do not know for certain how many households there are in Scotland who may be in receipt of payments from the charitable funds established following the terrorist events in London and Manchester, and consequently, we do not know what the cost implication might be for Local Authorities. At most there will be very few cases, but we wish to ensure that any affected households are not disadvantaged in any way.

Impact Assessments

11. An Equalities Impact Assessment (EQIA) was undertaken in development of the principal Regulations, and data on equalities impacts are reviewed as part of the ongoing 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
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