
EXPLANATORY NOTE

(This note is not part of the Regulations)

Section 13A of the Local Government Finance Act 1992 (“the 1992 Act”) requires each billing authority in England to make a scheme specifying the reductions which are to apply to amounts of council tax payable by persons, or classes of person, whom the authority considers are in financial need (“a council tax reduction scheme”). The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (“the 2012 Regulations”) prescribe matters which must be included in such a scheme in addition to matters set out in paragraph 2 of Schedule 1A to the 1992 Act. These Regulations amend the 2012 Regulations in consequence of changes to certain social security legislation.

The amendments made by virtue of regulation 2(2), (3)(c) and (d) mean that references to ‘Scottish taxpayer’ and ‘Scottish basic rate’ of income tax are to be taken into account when calculating the net earnings of employed earners and self-employed taxpayers, and certain disregards, for the purposes of determining eligibility for a discount. The provisions also update references to “personal allowance” and “personal reliefs”, in each of the provisions in question, so as to refer to the relevant provisions of the Income Tax Act 2007 (c. 3).

The amendments made by regulation 2(3)(a) reflect similar changes to the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 (S.I. 2006/214) as amended by S.I. 2016/624. The amendments provide that allowable temporary absences from Great Britain are, in most cases, reduced from 13 weeks to 4 weeks. This is subject to certain exceptions.

The amendments made by regulation 2(3)(b), (4) and (5) uprate certain of the figures which are used in calculating whether a person is entitled to a council tax reduction and the amount of that reduction. The uprated figures relate to non-dependant deductions (adjustments made to the maximum amount of reduction a person can receive to take account of adults living in the dwelling who are not dependants of the applicant); the applicable amount in relation to an applicant for a reduction (the amount against which an applicant’s income is compared in order to determine the amount of reduction to which he or she is entitled) and the income bands in relation to which the amount of a person’s alternative maximum council tax reduction is calculated.

An impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.