

POLICY NOTE

THE COUNCIL TAX REDUCTION (SCOTLAND) AMENDMENT (CORONAVIRUS) REGULATIONS 2021

SSI 2021/12

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

The purpose of these Regulations is to amend the Council Tax Reduction Regulations to fully disregard the one-off payment of £500 to NHS and social care workers.
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Policy Objectives

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”). The Council Tax Reduction (CTR) scheme ensures that nobody has to suffer hardship because they have lost the ability to pay their council tax. The scheme assesses a household’s income and other factors, and can reduce council tax liability by up to 100% (meaning a household pays no council tax).

3. On 30 November the First Minister announced that a one-off payment of £500 would be payable to NHS and social care workers. In the Working Age Regulations, regulation 26 (calculation of income and capital: persons who have an award of universal credit), regulation 34 (earnings of self-employed earners) and regulation 36 (earnings of employed earners: exclusions) are being amended to ensure that the one-off payment of £500 to NHS and social care workers is not regarded as earnings in the calculation of entitlement to CTR.

4. Schedule 5 (capital to be disregarded) of the Working Age Regulations is being amended to ensure that the one-off payment of £500 to NHS and social care workers is not regarded as capital in the calculation of entitlement to CTR.

5. In the Pension Age Regulations, regulation 32 (earnings of employed earners: exclusions) and regulation 35 (earnings of self-employed earners: exclusions) are being amended to ensure that the one-off payment of £500 to NHS and social care workers is not regarded as earnings in the calculation of entitlement to CTR.

6. Schedule 4 (capital disregards) of the Pension Age Regulations is being amended to ensure that the one-off payment of £500 to NHS and social care workers is not regarded as capital in the calculation of entitlement to CTR.

Consultation

7. No formal consultation required to be carried out in relation to these Regulations.

Impact Assessments and Financial Effects

8. This instrument amends existing Working Age Regulations and Pension Age Regulations. There are no specific impact assessments. The amendments will not have a material impact on the cost of the scheme.

Local Government and Communities
Scottish Government
January 2021