

POLICY NOTE

THE COUNCIL TAX REDUCTION (SCOTLAND) AMENDMENT (NO. 5) REGULATIONS 2021

SSI 2021/402

The above instrument was 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. The instrument is subject to negative procedure.

Summary Box

<p>These Regulations amend the Council Tax Reduction (Scotland) Regulations 2012 to include redress payments made under Part 4 of the Redress for Survivors (Historical Child Abuse in Care) (Scotland) Act 2021 as capital to be disregarded when calculating Council Tax Reduction entitlement.</p>

Policy Objectives

The purpose of these Regulations is to ensure that persons receiving a redress payment from the redress scheme, established under the Redress for Survivors (Historical Child Abuse in Care) (Scotland) Act 2021 (“the 2021 Act”), will not have their Council Tax Reduction (CTR) entitlement negatively impacted by receiving such a payment.

The 2021 Act establishes a financial redress scheme for survivors of historical child abuse in relevant care settings in Scotland, and, in some circumstances, where the survivor has died, their next of kin. The purpose of the redress scheme is to acknowledge and provide tangible recognition of the harm suffered as a result of that abuse. It is important that those in receipt of a redress payment are not financially disadvantaged by receiving such a payment. This amendment ensures that receipt of a redress payment will not affect a person’s entitlement to CTR.

In the calculation of CTR, any income and capital a household has can affect their level of council tax reduction. The CTR scheme for working age households currently disregards compensation payments as capital for 52 weeks, whilst the pension age scheme has no limits. Compensation payments are fully disregarded as income in both schemes. Redress Payments are not strictly analogous with compensation payments as they are not based on a calculation of loss in the same way. Instead, as noted above, redress payments are about acknowledgement and tangible recognition of harm. Redress payments therefore need to be treated in different way to compensation payments.

The Advance Payment Scheme opened on 25 April 2019 and is a discretionary scheme which provides acknowledgement and recognition, by means of an ex gratia financial payment of £10,000 to those who suffered abuse in care in Scotland before 1 December 2004, and who either have a terminal illness or are aged 68 or over. Amendments were made to the CTR regulations in 2020 to ensure that the receipt of any payments made under the Advance Payment Scheme would be disregarded as capital for an indefinite period when calculating

CTR. This amendment will ensure a similar disregard is in place for those receiving a redress payment from the statutory redress scheme.

Consultation

No formal consultation was required to be carried out in relation to these Regulations. There was a full 12 week pre-legislative consultation on the Redress for Survivors (Historical Child Abuse in Care) (Scotland) Bill, which became the 2021 Act. It is known from informal engagement with survivors that having benefits disregards in place for those receiving redress payments is of high importance to them.

Impact Assessments

No impact assessments are required for these Regulations.

Financial Effects

The current estimated number of applicants to the statutory redress scheme is 9,500. However, these estimates have been prepared and refined with the best information available, but significant uncertainties remain due to the limitations of the available data regarding the potential number of applicants to the scheme. Due to these existing uncertainties, there is no lower level detail on how many applicants to the scheme will currently be claiming Council Tax Reduction in Scotland, and therefore the expected financial effect of this amendment.

Scottish Government
Children and Families Directorate

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