

POLICY NOTE

THE COUNCIL TAX REDUCTION (SCOTLAND) AMENDMENT REGULATIONS 2022

SSI 2022/52

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.

The purpose of these Regulations is to uprate in the Council Tax Reduction (CTR) scheme various allowances, premiums and deductions; and to make amendments to the relevant Regulations to rectify minor errors and ensure the policy intention is fully carried out.

Policy Objectives

2. This instrument amends the Council Tax Reduction (Scotland) Regulations 2021 (“the Working Age Regulations”) and the Council Tax Reduction (State Pension Credit) (Scotland) Regulations 2012 (“the Pension Age Regulations”).

3. When Council Tax Benefit (CTB) was abolished by the UK Government the Scottish Government introduced the Council Tax Reduction (CTR) scheme. CTR reduces a household’s council tax liability by taking into account their circumstances, capital, and income. When CTR was introduced the Scottish Government made a commitment that no one would be worse off under CTR than they would have been had CTB continued. These Regulations maintain that policy objective by uprating various allowances, premiums and deductions in CTR on the same basis as has been applied in relation to the equivalent provisions in Housing Benefit (as the benefit that most closely reflects the abolished CTB).

4. This instrument amends schedule 5 (Amount of alternative maximum council tax reduction) of the Pension Age Regulations so that a household with a second adult who is in receipt of Universal Credit and has no earned income is treated in the same way as a household with a second adult who has a qualifying income related benefit, or state pension credit, in establishing entitlement to second adult rebate. An equivalent change is also made to the Working Age Regulations.

5. Changes are also made, to both the Working and Pension Age Regulations, to the entitlement for enhanced disability premium and disabled child premium for those with a child in a care home or residential educational establishment. This corrects an earlier error and ensures a uniform approach in relation to entitlement to the relevant CTR premiums whether the benefit payable is child disability payment or disability living allowance. The instrument also expands the definition of “blind” in the Working Age Regulations, so that there are separate definitions applying to children and to persons aged 16 and over.

6. The Working Age Regulations have now completed their Parliamentary scrutiny prior to coming into force April 2022. As a result of scrutiny from the Delegated Powers and Law Reform Committee and others it was identified that some amendments were required to the Regulations to clarify the policy intention and to ensure minor errors were rectified. This instrument makes those amendments.

Consultation

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

Impact Assessments and Financial Effects

8. The instrument is an annual update amending existing principal Regulations. There are no specific impact assessments in relation to the changes made by this instrument.

9. As noted above, the overall purpose of these Regulations is to ensure the overall policy intentions of the Working Age Regulations and the Pension Age Regulations are maintained. In previous years, the inflationary uprating changes have added a marginal increase on the overall cost of the CTR scheme, whilst the other elements of these regulations will not of themselves have an impact on the costs associated with the Working Age and Pension Age Regulations. However, factors beyond the scope of these Regulations, such as the wider performance of the Scottish economy, including the labour market and also the Council Tax rates set by individual Councils, will be relevant.

Scottish Government
Directorate for Local Government & Communities
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