

**2015 No. 2041**

**COUNCIL TAX, ENGLAND**

**The Council Tax Reduction Schemes (Prescribed Requirements)  
(England) (Amendment) Regulations 2015**

<i>Made</i> - - - -	<i>16th December 2015</i>
<i>Laid before Parliament</i>	<i>21st December 2015</i>
<i>Coming into force</i> - -	<i>14th January 2016</i>

The Secretary of State makes the following Regulations in exercise of the powers conferred by section 113(1) and (2) of, and paragraph 2 of Schedule 1A to, the Local Government Finance Act 1992(a):

**Citation, commencement and application**

1.—(1) These Regulations may be cited as the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2015 and come into force on 14th January 2016.

(2) These Regulations apply in relation to council tax reduction schemes(b) made by billing authorities for financial years beginning on or after 1st April 2016.

**Amendment of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012**

2.—(1) The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012(c) are amended as follows.

(2) In regulation 2(8) (interpretation)—

(a) at the end of sub-paragraph (a) (and before “or”) insert—

“(aa) a person who is being consulted by or on behalf of—

(i) the Secretary of State in relation to any of the Secretary of State’s functions in the field of social security or child support or under section 2 of the Employment and Training Act 1973(d); or

(ii) a body which conducts research or undertakes monitoring for the purpose of planning or improving such functions,

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(a) 1992 c.14. Section 113(1) and (2) were amended by paragraphs 2 and 9(a) of Schedule 1 to the Local Government Act 1999 (c.27); paragraphs 40 and 52 of Schedule 7 to the Local Government Act 2003 (c.26); section 80 of the Localism Act 2011 (c.20), and S.I. 2013/2597. Schedule 1A was inserted by Schedule 4 to the Local Government Finance Act 2012 (c.17).  
(b) See section 13A(9) of the Local Government Finance Act 1992 for the definition of “council tax reduction scheme”. Section 13A was inserted by section 10 of the Local Government Finance Act 2012.  
(c) S.I. 2012/2885; relevant amending instruments are S.I. 2012/3085, 2013/3181, 2014/107, 2014/448, 2014/3312.  
(d) 1973 c.50. Section 2 was substituted by section 25(1) of the Employment Act 1988 (c.19).

in their capacity as a person affected or potentially affected by the exercise of those functions or the carer of such a person;”;

(b) in sub-paragraph (b) for “sub-paragraph (a)” substitute “sub-paragraph (a) or (aa)”.

(3) In Schedule 1 (pensioners: matters that must be included in an authority’s scheme)—

(a) in paragraph 8 (non-dependant deductions)—

(i) in sub-paragraph (1)(a) for “£11.36” substitute “£11.45”;

(ii) in sub-paragraph (1)(b) for “£3.74” substitute “£3.77”;

(iii) in sub-paragraph (2)(a) for “£189.00” substitute “£195.00”;

(iv) in sub-paragraph (2)(b) for “£189.00”, “£328.00” and “£7.52” substitute “£195.00”, “£338.00” and “£7.58” respectively;

(v) in sub-paragraph (2)(c) for “£328.00”, “£408.00” and “£9.49” substitute “£338.00”, “£420.00” and “£9.56” respectively;

(b) in paragraph 17 (calculation of weekly income)—

(i) in sub-paragraph (1) for “sub-paragraph (2) or (4)” insert “sub-paragraph (2), (3A), (4A) or (5)”;

(ii) after sub-paragraph (3) insert—

“(3A) Income calculated pursuant to sub-paragraphs (2) and (3) must be taken into account—

(a) in the case of an application, on the date on which the application was made or treated as made, and the first day of each reduction week thereafter;

(b) in the case of an application or a reduction under a scheme where the applicant commences employment, the first day of the reduction week following the date the applicant commences that employment, and the first day of each reduction week thereafter; or

(c) in the case of an application or a reduction under a scheme where the applicant’s average weekly earnings from employment change, the first day of the reduction week following the date the applicant’s earnings from employment change so as to require recalculation under this paragraph, and the first day of each reduction week thereafter,

regardless of whether those earnings were actually received in that reduction week.”;

(iii) after sub-paragraph (4) insert—

“(4A) An applicant’s earnings from employment as an employed earner not calculated pursuant to sub-paragraphs (2) and (3) must be taken into account—

(a) in the case of an application, on the date on which the application was made or treated as made, and the first day of each reduction week thereafter;

(b) in the case of an application or a reduction under a scheme where the applicant commences employment, the first day of the reduction week following the date the applicant commences that employment, and the first day of each reduction week thereafter; or

(c) in the case of an application or a reduction under a scheme where the applicant’s average weekly earnings from employment change, the first day of the reduction week following the date of the change, and the beginning of each reduction week thereafter,

regardless of whether those earnings were actually received in that reduction week.”;

(c) in paragraph 28(c) (disregard of changes in tax, contributions etc) for “small earnings exception” substitute “small profits threshold”;

(d) in paragraph 30(3)(a) (calculation of deduction of tax and contributions of self-employed earners)—

(i) for “11(1)” substitute “11(2)”;

- (ii) for “11(3)” substitute “11(8)”;
  - (iii) for “small earnings exception” substitute “small profits threshold”.
- (4) In Schedule 2 (applicable amounts)—
- (a) in column (2) of the Table in paragraph 1—
    - (i) in sub-paragraph (1)(a) for “£151.20” substitute “£155.60”;
    - (ii) in sub-paragraph (1)(b) for “£166.05” substitute “£168.70”;
    - (iii) in sub-paragraph (2)(a) for “£230.85” substitute “£237.55”;
    - (iv) in sub-paragraph (2)(b) for “£248.28” substitute “£252.30”;
    - (v) in sub-paragraph (3)(a) for “£230.85” substitute “£237.55”;
    - (vi) in sub-paragraph (3)(b) for “£79.65” substitute “£81.95”;
    - (vii) in sub-paragraph (4)(a) for “£248.28” substitute “£252.30”;
    - (viii) in sub-paragraph (4)(b) for “£82.26” substitute “£83.60”;
  - (b) for paragraph 3 (family premium) substitute—
 

“3. The amount for the purposes of paragraph 6(1)(c) of Schedule 1 in respect of a family of which at least one member is a child or young person—

    - (a) is £17.45 in respect of a reduction week which begins in the period beginning with 1st April 2016 and ending with 30th April 2016;
    - (b) is nil in respect of a reduction week which begins after 1st May 2016.”;
  - (c) in paragraph 6 (severe disability premium)—
    - (i) in sub-paragraph (2)(a)(iii), after “carer’s allowance” insert “under section 70 of the SSCBA or has an award of universal credit which includes the carer element under regulation 29 of the Universal Credit Regulations 2013(a)”;
    - (ii) in the closing words of sub-paragraph (2)(b)—
      - (aa) after “carer’s allowance” insert “or has an award of universal credit that includes the carer element”; and
      - (bb) after “such an allowance” insert “or has such an award of universal credit”;
    - (iii) in sub-paragraph (7)(d)—
      - (aa) after “carer’s allowance” insert “or having an award of universal credit which includes the carer element”; and
      - (bb) after “be so entitled and in receipt” insert “or have such an award of universal credit”;
    - (iv) in sub-paragraph (8)(b)—
      - (aa) after “carer’s allowance” insert “or as having an award of universal credit which includes the carer element”; and
      - (bb) after “that allowance” insert “or had such an award of universal credit”;
  - (d) in paragraph 12 (amounts of premiums specified in Part 3)—
    - (i) in sub-paragraph (1)(b)(i), after “carer’s allowance” insert “or who has an award of universal credit which includes the carer element under regulation 29 of the Universal Credit Regulations 2013,”; and
    - (ii) in sub-paragraph (1)(b)(ii), after “such an allowance” insert “or such an award of universal credit”.
- (5) In column (1) of the Table in paragraph 1 of Schedule 3 (amount of alternative maximum council tax reduction)—
- (a) in paragraph (b)(i) for “£187.00” substitute “£193.00”;

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(a) S.I. 2013/376; relevant amending instrument is S.I. 2015/1754.

(b) in paragraph (b)(ii) for “£187.00” and “£243.00” substitute “£193.00” and “£250.00” respectively.

(6) In paragraph 10 of Schedule 4 (sums disregarded from applicant’s earnings) for sub-paragraph (2)(b)(ii)(bb) substitute—

“(bb) his family includes at least one child or young person;”.

(7) In paragraph 20(1) of Schedule 5 (amounts to be disregarded in the calculation of income other than earnings) for “Where an applicant’s applicable amount includes an amount by way of a family premium,” substitute “Where an applicant’s family includes at least one child or young person;”.

(8) After paragraph 29A of Schedule 6 (capital disregards) insert—

“**29B.** Any payments to an applicant made under section 49 of the Children and Families Act 2014(a) (personal budgets and direct payments).”.

### **Transitional provision**

**3.**—(1) Subject to paragraph (2), the amendment in regulation 2(4)(b) does not apply to a person who, on 30th April 2016, is liable to pay council tax at a reduced rate by virtue of a council tax reduction under an authority’s scheme established under section 13A(2) of the Act and is—

- (a) a member of a family of which at least one member is a child or young person; or
- (b) a partner in a polygamous marriage, where he or she, or another partner of the polygamous marriage, is responsible for a child or young person who is a member of the same household.

(2) Paragraph (1) does not apply if—

- (a) sub-paragraph (a) or (b) of that paragraph ceases to apply; or
- (b) the person makes a new application for a reduction under an authority’s scheme under section 13A(2) of the Act.

(3) For the purposes of this regulation—

- (a) “the Act” means the Local Government Finance Act 1992;
- (b) “child”, “family”, “partner”, “polygamous marriage” and “young person” have the meanings given by regulation 2 of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012.

Signed by authority of the Secretary of State for Communities and Local Government

*Marcus Jones*

Parliamentary Under Secretary of State

Department for Communities and Local Government

16th December 2015

### **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

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(a) 2014 c.6.

the 1992 Act. These Regulations amend the 2012 Regulations. The majority of the amendments are to ensure consistency with changes to social security legislation.

The amendments in regulation 2(2) amend the definition of “applicant participating as a service user”; the effect is that expenses paid to a wider category of persons will be disregarded when calculating income for the purposes of entitlement to a reduction under a scheme.

The amendments in regulation 2(3)(a), (4)(a) and (5) increase certain of the figures which are used in calculating whether a person is entitled to a reduction and the amount of that reduction. The updated 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.

The amendments in regulation 2(3)(b) make changes to provisions about when an applicant’s average weekly earnings from employment are taken into account. The earnings will be taken into account in the reduction weeks specified, even if the applicant does not actually receive the earnings from their employer in that week.

The amendments in regulation 2(3)(c) and (d) are consequential on the coming into force of the National Insurance Contributions Act 2015.

The amendments in regulation 2(4)(b), (6) and (7) make amendments in relation to the family premium. The family premium is an element in the calculation of an applicant’s “applicable amount” and is being abolished, with effect from 1st May 2016, for the purposes of social security. Regulation 3 contains a transitional provision in relation to these changes.

The amendments in regulation 2(4)(c) and (d) have the effect that, where a carer for a severely disabled person has an award of universal credit which includes the carer element, that severely disabled person will not be entitled to an additional amount for care under an authority’s council tax reduction scheme.

The amendment in regulation 2(8) is consequential on the coming into force of Part 3 of the Children and Families Act 2014 (children and young people in England with special educational needs or disabilities).

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

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