

**EXPLANATORY MEMORANDUM TO**  
**THE COUNCIL TAX REDUCTION SCHEMES PRESCRIBED REQUIREMENTS**  
**(ENGLAND) (AMENDMENT) REGULATIONS 2018**

**2018 No. 1346**

**1. Introduction**

- 1.1 This explanatory memorandum has been prepared by the Ministry of Housing, Communities and Local Government and is laid before Parliament by Command of Her Majesty.

**2. Purpose of the instrument**

- 2.1 This instrument amends the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (“the Prescribed Requirements Regulations”) (S.I. 2012/2885). The amendments in this instrument increase the figures which are used in calculating whether a person is entitled to a reduction in council tax and the amount of that reduction. Other changes are being made to maintain consistency with the housing benefit regime. The purpose of uprating the figures is to maintain consistency with changes which have come into effect in the housing benefit regime (see further paragraph 7.2).

**3. Matters of special interest to Parliament**

*Matters of special interest to the Joint Committee on Statutory Instruments*

- 3.1 None.

*Matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business (English Votes for English Laws)*

- 3.2 As the instrument is subject to negative resolution procedure there are no matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business at this stage.

**4. Extent and Territorial Application**

- 4.1 The territorial extent of this instrument is England and Wales.  
4.2 The territorial application of this instrument is England only.

**5. European Convention on Human Rights**

- 5.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

**6. Legislative Context**

- 6.1 Section 13A of the Local Government Finance Act 1992 requires billing authorities to make a scheme reducing the amount of council tax payable by those whom the authority considers to be in financial need. Local council tax reduction schemes replaced council tax benefit on 1 April 2013. Schedule 1A to that Act sets out the particular matters that a scheme must include and the process by which it must be

made. The Secretary of State may prescribe other matters that must be included in that scheme. He has done that in the Prescribed Requirement Regulations, and in particular schemes are required to make provision in respect of pensioners (as defined by those Regulations).

- 6.2 This instrument introduces amendments to uprate figures in the Prescribed Requirement Regulations. It also makes various amendments to the Prescribed Requirements Regulations in order to mirror, as far as possible, changes to the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 (S.I. 2006/214) (“the 2006 Regulations”).

## 7. Policy background

### *What is being done and why?*

- 7.1 The Secretary of State’s policy is to make amendments to the Prescribed Requirements Regulations in line with amendments made to the housing benefit regime. Changes are therefore being made to uprate relevant allowances and deductions, and to provide how certain payments are treated in the calculation of the amount of an applicant’s council tax reduction, to align with the housing benefit regime.
- 7.2 The Regulations uprate figures relating 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 (the amount against which an applicant’s income is compared to determine the amount of reduction to which he or she is entitled)
  - the calculation of a person’s alternative maximum council tax reduction.
- 7.3 The Regulations introduce amendments to make provision for the treatment of three additional types of payments:
- Backdated payments of certain benefits which are required following an error of law, which will be disregarded when calculating an applicant’s capital
  - the Scottish Government’s carer’s allowance supplement, which will be disregarded when calculating an applicant’s income
  - Certain child care charges, which will be deducted when calculating an applicant’s income
- 7.4 The policy background to these changes on payments is set out in more detail in the explanatory memorandum accompanying the Regulations listed below (amendments to the Prescribed Requirements Regulations are made in consequence of these instruments):
- The Social Security (Scotland) Act 2018 (Consequential Modifications) Order 2018 (SI 2018/872) - provides for carer’s allowance supplement to be disregarded as income when determining a claimant’s entitlement to benefits under the Housing Benefit Regulations 2006 and other regulations.
  - <http://www.legislation.gov.uk/uksi/2018/872/memorandum/contents>
  - Social Security (Treatment of Arrears of Benefit) Regulations 2018 (SI 2018/932) – expands the existing capital disregards in legacy income-related benefits that currently apply to benefit arrears amounting to £5,000 or more

which are paid as a result of official error, to apply equally where the arrears are paid as a result of an error on a point of law.

- <http://www.legislation.gov.uk/uksi/2018/932/contents/made>
- The Social Security and Child Support (Regulation and Inspection of Social Care (Wales) Act 2016) (Consequential Provision) Regulations 2018 (SI 2018/228) – updates various sets of social security and child support secondary legislation, to capture and reflect new terminology included in the Regulation and Inspection of Social Care (Wales) Act 2016
- <http://www.legislation.gov.uk/uksi/2018/228/contents/made>

## **8. European Union (Withdrawal) Act/Withdrawal of the United Kingdom from the European Union**

8.1 This instrument does not relate to withdrawal from the European Union / trigger the statement requirements under the European Union (Withdrawal) Act.

## **9. Consolidation**

9.1 There are no plans to undertake a consolidation.

## **10. Consultation outcome**

10.1 This instrument has not been subject to specific consultation; however, billing authorities are aware of the Government's intention to maintain consistency with the situation which would have applied under council tax benefit and with the housing benefit regime for pensioners.

## **11. Guidance**

11.1 We do not plan to issue guidance. Billing authorities are already familiar with the Prescribed Requirements Regulations, and with the uprating process. Billing authorities will be notified individually of this instrument and reminded of the approach to updating the Prescribed Requirement Regulations as part of the Department's regular communications.

## **12. Impact**

12.1 There is no, or no significant, impact on business, charities or voluntary bodies.

12.2 The impact on the public sector is minimal.

12.3 An Impact Assessment has not been prepared for this instrument because of low level of impact per business.

## **13. Regulating small business**

13.1 The legislation does not apply to activities that are undertaken by small businesses.

## **14. Monitoring & review**

14.1 The approach to monitoring of this legislation is: The Government has undertaken to review the Prescribed Requirements Regulations on an annual basis to ensure that any necessary uprating is carried out, and to implement any other necessary updates.

14.2 The Regulations do not include a review provision under section 28 of the Small Business, Enterprise and Employment Act 2015 because the Regulations do not make

any regulatory provision in relation to a qualifying activity carried on by business or voluntary and community bodies.

**15. Contact**

- 15.1 Thomas Proudfoot at the Ministry of Housing, Communities and Local Government telephone: 0303 44 48923 or email: [thomas.proudfoot@communities.gov.uk](mailto:thomas.proudfoot@communities.gov.uk) can be contacted with any queries regarding the instrument.
- 15.2 Chris Megainey, Deputy Director for local taxation, at the Ministry of Housing, Communities and Local Government can confirm that this Explanatory Memorandum meets the required standard.
- 15.3 Minister Rishi Sunak at the Ministry of Housing, Communities and Local Government can confirm that this Explanatory Memorandum meets the required standard.