POLICY NOTE

THE COUNCIL TAX REDUCTION AND COUNCIL TAX (DISCOUNTS) (MISCELLANEOUS AMENDMENT) (SCOTLAND) REGULATIONS 2025

SSI 2025/55

The above instrument was made in exercise of the powers conferred by the exercise of the powers conferred by sections 80 and 113(1) and paragraph 11 of schedule 1 and paragraph 1 of schedule 2 of the Local Government Finance Act 1992 and all other powers enabling them to do so. The instrument is subject to negative procedure.

Summary Box

This instrument amends The Council Tax (Discounts) (Scotland) Regulations 1992, The Council Tax Reduction (Scotland) Regulations 2021, and The Council Tax Reduction (State Pension Credit) (Scotland) Regulations 2012.

The purpose of this instrument is to ensure that:

- **entitlement to a Single Person Discount in relation to Council Tax liability, is not affected by there being a Ukrainian national/s or a member of their immediate family who have been granted permission to stay in the United Kingdom (UK) under the Ukraine Permission Extension (UPE) Scheme (or who have applied for permission under the scheme and are awaiting the outcome of their application) living in the household of a person who is approved by a local authority to provide accommodation as a host, except where the host is a close relative of the person being accommodated.**

- **Council Tax Reduction (CTR) support is not reduced on account of a Ukrainian national or their immediate family member who have permission to stay in the UK under the UPE Scheme (or who have applied for permission under the UPE Scheme and are awaiting the outcome of their application) and are being provided with accommodation by an approved host, being treated as a non-dependant of a CTR applicant, again where the host is not a close relative of the person being accommodated.**

  The instrument also updates the provision for disregard and treatment as not being a non-dependant for Ukrainian nationals and their immediate family members in the UK under the Homes for Ukraine Sponsorship scheme, so that it applies where accommodation is provided by an approved host.

Ukraine Permission Extension (UPE) Scheme

The UK Government set up visa schemes in 2022 to enable Ukrainian nationals and their immediate family members to come to the UK for up to three years. These schemes have either ended or are due to end. On 18 February 2024, the UK government announced the

launch of the Ukraine Permission Extension (UPE) scheme. The UPE Scheme opened for applications on 4 February 2025.

The UPE Scheme is intended to allow those with existing permission granted under the Ukraine schemes, who continue to require sanctuary in the UK, to apply for further permission to stay in the UK. Ukrainian nationals, and the immediate family members of a Ukrainian national, who are living in the UK with existing permission under one of the Ukraine schemes, may be eligible to apply for UPE to continue living in the UK for up to a further 18 months.

Policy Objectives

This instrument amends The Council Tax (Discounts) (Scotland) Regulations 1992, The Council Tax Reduction (Scotland) Regulations 2021, and The Council Tax Reduction (State Pension Credit) (Scotland) Regulations 2012.

The purpose of this instrument is to ensure that entitlement to a Single Person Discount in relation to Council Tax liability and CTR support is not affected by providing accommodation, as a host approved by a local authority, to Ukrainian nationals and immediate family members who have been granted permission to enter or stay in the UK under the Homes for Ukraine Sponsorship Scheme or the UPE Scheme (or who have applied for permission under the UPE Scheme and are awaiting the outcome of their application), provided the person hosting is not a close relative of the person being accommodated.

Approval of hosts by local authorities must be in accordance with the version of the guidance entitled "Super Sponsor Scheme and Homes for Ukraine: guidance for local authorities" published by the Scottish Ministers on 4 February 2025 ("Super Sponsor and Homes for Ukraine guidance") Please see link that follows https://webarchive.nrscotland.gov.uk/20250217122004/https:/www.gov.scot/publications/super-sponsor-scheme-and-homes-for-ukraine-guidance-for-local-authorities

The aim of the focus on hosted arrangements, other than those involving close relatives providing each other with accommodation, is to ensure that people are enouraged to offer help to those in greatest need, as reflected by their reliance on accommodation provided by a person other than a family member, via the Homes for Ukraine scheme. The current provison relating to disregard for the purposes of single person discount and treatment as not being a non-dependant is expanded in so far as the person providing the accommodation need only be approved as a host; they do not need to be approved as a sponsor under the Homes for Ukraine Sponsorship Scheme.

<u>Single Person Discount</u>

The first purpose of this instrument is to ensure that entitlement to a Single Person Discount (which gives qualifying households a 25% reduction in their Council Tax liability) is not affected by providing accommodation to Ukrainian nationals and immediate family members of Ukrainian nationals who have been granted permission to enter or stay in the UK under the Homes for Ukraine Sponsorship Scheme or UPE Scheme (or who have applied for

permission under the UPE Scheme and are awaiting the outcome of their application). This dispensation will apply only where the person providing the accommodation is a host approved by a local authority, in accordance with the Super Sponsor and Homes for Ukraine guidance, and is not a close relative of the person being hosted.

Meaning of non-dependant

The second purpose of this instrument is to ensure that, offering accommodation to a Ukrainian national or an immediate family member of a Ukrainian national does not cause entitlement under the CTR scheme to be reduced on account of there being considered to be a non-dependant adult living in the property, provided certain conditions are met. These regulations therefore amend the Council Tax Reduction (Scotland) Regulations 2021 and the Council Tax Reduction (State Pension Credit) (Scotland) Regulations 2012 so that Ukrainian nationals and immediate family members who have permission to enter or stay in the UK under the Homes for Ukraine Sponsorship Scheme or UPE Scheme, or who are awaiting the outcome of an application under the UPE Scheme, are expressly excluded from being classed as non-dependant adults, where they are being provided with accommodation by a host approved by a local authority in accordance with the Super Sponsor Scheme and Homes for Ukraine guidance, except where the host is a close relative of the person being accommodated.

In practice this will mean that Ukrainian nationals and their family members are hosted by a person receiving CTR, or their partner, given that the condition of being a non-dependant is that a person normally lives with a CTR applicant. In other words, for the time being, they have the CTR applicant's home as their address.

Thank You Payments

No amendments are required to the Council Tax Reduction (Scotland) Regulations 2021 and the Council Tax Reduction (State Pension Credit) (Scotland) Regulations 2012 to disregard from capital "thank-you" payments where paid to those who host a Ukrainian national or an immediate family member of a Ukrainian national in their own home, where the hosted person has permission to stay in the UK under the UPE Scheme (or has applied for permission under the UPE Scheme and is awaiting the outcome of their application). Hosted persons will still be regarded as being provided with accommodation under the Homes for Ukraine scheme, even where a person's basis to stay in the UK has switched to the UPE Scheme. So, the current disregard in relation to payment connected with the provision of accommodation under the Homes for Ukraine scheme announced by the UK Government on 14 March 2022 will cater for this situation, as well as covering those who provide accommodation to hosted persons who still have permission under the Homes for Ukraine Sponsorship Scheme.

UN Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024 Compatibility

The Scottish Ministers have made the following statement regarding children's rights.
In accordance with section 23(2) of the United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024, the Scottish Ministers certify that, in their view, the The Council Tax Reduction and Council Tax (Discounts) (Miscellaneous Amendment) (Scotland) Regulations 2025 is compatible with the UNCRC requirements as defined by section 1(2) of the Act.

EU Alignment Consideration
This instrument is not relevant to the Scottish Government's policy to maintain alignment with the EU

Consultation

No formal consultation was required to be conducted in relation to these Regulations.

Impact Assessments

A Child Rights and Wellbeing Impact Assessment is provided with this instrument. No other Impact Assessments have been undertaken.

Financial Effects

The policy measures implemented in this instrument will not increase the level of Council Tax householders pay or reduce the level of CTR received. That is because all the changes maintain the current level of council tax liability that a household has, rather than reducing or increasing it.

The Cabinet Secretary for Finace and Local Government confirms that no BRIA is necessary as the instrument has no financial effects on the Scottish Government, local government or on business.

Scottish Government
Local Government Directorate

February 2025