POLICY NOTE

THE COUNCIL TAX REDUCTION (MISCELLANEOUS AMENDMENT) (SCOTLAND) (NO. 3) REGULATIONS 2025

SSI 2025/150

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.

Summary Box

This instrument amends the Council Tax Reduction (Scotland) Regulations 2021 ("the 2021 Regulations"), and the Council Tax Reduction (State Pension Credit) (Scotland) Regulations 2012 ("the 2012 Regulations").

The purpose of this instrument is to amend regulations to ensure that Statutory Neonatal Care Pay and Neonatal Care Leave, which are new entitlements to statutory pay and leave, are treated in a similar manner to other forms of statutory parental pay and parental leave - such as Maternity Leave and Pay, Parental Bereavement Leave, Paternity Leave and Pay and Shared Parental Leave and Pay, in the calculation of entitlement to Council Tax Reduction.

Statutory Neonatal Care Leave and Pay

3**.** Statutory Neonatal Care Pay and Neonatal Care Leave are new entitlements to leave and statutory payment which will support parents whose child or children are born sick or prematurely and require neonatal care. This entitlement will be in addition to other forms of statutory parental pay and parental leave - such as Maternity Leave and Pay, Parental Bereavement Leave, Paternity Leave and Pay and Shared Parental Leave and Pay.

4. To quality for Statutory Neonatal Care Pay and Neonatal Care Leave parents must be employees of an employer, and their baby must be admitted into hospital as a newborn no older than 28 days to receive medical care or must receive palliative or end-of-life care beginning when they are a newborn no more than 28 days old. In either case the care must last for a continuous period of seven days or more. Statutory Neonatal Care Pay and Neonatal Care Leave entitlement is available for up to a maximum of 12 weeks beginning with the date on which the neonatal care starts.

5. To claim Statutory Neonatal Care Pay, parents will need to have worked for their employer for at least 26 weeks prior to the baby entering neonatal care and meet the other eligibility requirements. Self-employed people will not be eligible.

Policy Objectives

6. This instrument amends the 2012 Regulations and the 2021 Regulations. The amendments come into force on 25 June 2025.

7. The level of Council Tax Reduction (CTR) a household is entitled to depends on the household circumstances, earned and unearned income, capital, savings, and other factors. The policy intent of these regulations is to ensure that Statutory Neonatal Care Pay and Neonatal Care Leave will be treated in the same way as other forms of statutory parental pay and parental leave in the CTR scheme. Those who receive Statutory Neonatal Care Pay and Neonatal Care Leave will be treated as being in remunerative work for the purposes of having childcare costs considered in calculating their entitlement to CTR. A person will for all other purposes be treated as not being in remunerative work.

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

8. 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 Council Tax Reduction (Miscellaneous Amendment) (Scotland) (No.3) Regulations 2025 is compatible with the UNCRC requirements as defined by section 1(2) of the Act.

EU Alignment Consideration

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

Consultation

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

Impact Assessments

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

Financial Effects

12. 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.

13. The Cabinet Secretary for Finance 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

May 2025