POLICY NOTE

THE COUNCIL TAX REDUCTION (SCOTLAND) AMENDMENT (NO. 2) REGULATIONS 2019

SSI 2019/133

The above instrument is made in exercise of the powers conferred by sections 80 and 113 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 ensure that Discretionary Housing Payments are not treated as income or capital within the Council Tax reduction scheme.

Policy Objectives

This instrument amends the Council Tax Reduction (Scotland) Regulations 2012 and the Council Tax Reduction (State Pension Credit) (Scotland) Regulations 2012 (jointly referred to as "the principal Regulations").

The Council Tax Reduction (CTR) scheme operates by reducing a household's council tax liability by taking into account their circumstances and income. It was introduced with an overall policy objective of ensuring that no household would be worse off than it would have been had Council Tax Benefit not been abolished.

The Council Tax Reduction Amendment (Scotland) Regulations 2019, which came into force on 1 April 2019, amend various legislative references in the principal Regulations to reflect intended changes to the legislation which governs the payment of Discretionary Housing Payments (DHP).

It has become evident that existing DHP payment arrangements require to be continued beyond 1 April 2019. This means that legislative references to DHPs within the principal Regulations should be made to both the current legislation and to its intended replacement (by Part 5 of the Social Security (Scotland) Act 2018). This will ensure the payments are not treated as income or capital within the Council Tax Reduction scheme.

Regulations 2 and 3 make amendments to the principal Regulations to maintain these legislative references so that local authorities are directed that entitlement to relief under the CTR scheme is to be unaffected by payments of DHP, under either legislative basis.

Consultation

As this instrument does not alter the policy intention of the principal Regulations and ensures Discretionary Housing Payments will benefit their recipients rather than being used to meet increased Council Tax liabilities, it was not considered necessary to consult on the policy. COSLA and the local authority practitioner community have been engaged in the development of these regulations and in the proposed changes to the Discretionary Housing Payment arrangements.

Impact Assessments

An Equalities Impact Assessment (EQIA) was undertaken in development of the principal Regulations. As these amending Regulations do not alter the policy intention of the principal Regulations a further EQIA has not been produced.

As there is no impact on the environment or on environmental issues no Strategic Environmental Assessment is required.

Financial Effects

This instrument has no impact on Council Tax receipts or liabilities.

The Minister for Public Finance and Digital Economy confirms that no BRIA is necessary as the instrument has no financial effects on the Scottish Government, local government or on business.

Scottish Government
Directorate for Local Government & Communities
3 April 2019