POLICY NOTE

THE COUNCIL TAX REDUCTION (SCOTLAND) AMENDMENT REGULATIONS 2013 (SSI/2013/48)

THE COUNCIL TAX REDUCTION (STATE PENSION CREDIT) (SCOTLAND) AMENDMENT REGULATIONS 2013 (SSI/2013/49)

1. The above instruments are made in exercise of the powers conferred by sections 80 and 113 of, and paragraph 1 of Schedule 2 to, the Local Government Finance Act 1992. They are subject to the negative procedure.

Policy Objective

2. The Scottish Government has introduced measures to reduce the Council Tax liability of persons who have a low income following the UK Government's abolition of Council Tax Benefit from April 2013. 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"), which came into force on 28 January, ensure that persons in receipt of Council Tax Benefit will not be disadvantaged by its abolition and will receive an equivalent reduction in liability for Council Tax (provided their circumstances remain the same) to the support they would have received by way of Council Tax Benefit.

3. The above instruments amend the principal Regulations. The amendments take into account ongoing changes to the UK social security system, apply the UK Government's uprating of social security benefits for 2013/14, fulfil commitments given to the Subordinate Legislation Committee to correct defects in the principal Regulations and correct other minor defects. The instruments also insert transitional provision into the principal Regulations.

4. One example of a change in the UK social security system is the publication by DWP in December of the rates for the new Personal Independence Payment (PIP) which will begin to replace the existing Disability Living Allowance (DLA) later this year, which has now enabled the inclusion of reference to PIP components alongside DLA components at appropriate points in the principal Regulations.

5. These instruments also amend various figures in the principal Regulations to take account of the UK Government's uprating of social security benefits in December 2012, after the laying of the principal Regulations in the Scottish Parliament.

6. None of the amendments alter the policy intention of the principal Regulations to introduce a scheme of reductions to Council Tax in Scotland.

Consultation

7. Formal consultation was not considered to be necessary as these amendments do not alter the policy intention of the principal Regulations. However, the Scottish Government has worked closely with the Convention of Scottish Local Authorities (COSLA), the Institute of Revenues, Ratings and Valuations (IRRV), local authority revenue and benefits practitioners, and local authority software suppliers in development of these Regulations. Both COSLA and

the IRRV have endorsed the application of UK social security benefits uprating to the 2013/14 Council Tax Reduction scheme.

Financial Effects

8. The amount of Council Tax Reduction which an applicant will receive is a function of their income less their deemed living expenses. The principal Regulations are amended to take into account increases in social security benefit rates for 2013/14 so that the increased income from benefits which are treated as income (such as the retirement pension) does not serve to decrease entitlement to Council Tax Reduction for those in receipt.

Impact Assessments

9. An Equalities Impact Assessment (EQIA) was undertaken in development of the principal Regulations, and equalities impacts will be reviewed and evaluated during the implementation of the Council Tax Reduction scheme from April onwards. 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 business or the third sector, and no impact on the environment or on environmental issues, no Business and Regulatory Impact Assessment or Strategic Environmental Assessment is required.

Local Government and Communities
Scottish Government
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