

POLICY NOTE

THE COUNCIL TAX REDUCTION (SCOTLAND) AMENDMENT (NO. 4) REGULATIONS 2020

SSI 2020/413

1. The above instrument is made in exercise of the powers conferred by sections 80 and 113(1) 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 amend the Council Tax Reduction Regulations to:

- **fully disregard payments of Scottish Child Payment assistance;**
- **fully disregard payments of Winter Heating Assistance;**
- **adjust the treatment of applicants who have reached state pension age, or certain couples at least one of whom has reached that age, so that overlapping payments of Universal Credit will be fully disregarded within the Pension Age Regulations;**
- **amend references to specific ages to “pensionable age”;**
- **remove outdated references to the Standard Allowances for those aged 60 to 65; and**
- **widen a disregard of crisis payments from welfare funds, to include all payments made by local authorities under their power to advance well-being where these use funds provided by the Scottish Government.**

Policy Objectives

1. This instrument amends the Council Tax Reduction (Scotland) Regulations 2012 (“the Working Age Regulations”) and the Council Tax Reduction (State Pension Credit) (Scotland) Regulations 2012 (“the Pension Age Regulations”). The Council Tax Reduction (CTR) scheme ensures that nobody has to suffer hardship because they have lost the ability to pay their council tax. The scheme assesses a household’s income and other factors, and can reduce council tax liability by up to 100% (meaning a household pays no council tax).

2. Schedule 4 of the Working Age Regulations (Sums to be disregarded in the calculation of income other than earnings) and schedule 5 of the Working Age Regulations (Capital to be disregarded) are being amended to ensure that Scottish child payment assistance, as provided for by s.79 of the Social Security (Scotland) Act 2018 (“the 2018 Act”), is not regarded as income and capital in the calculation of entitlement to CTR.

3. Regulation 27(1) of the Pension Age Regulations (Meaning of “income”) and schedule 4 of the Pension Age Regulations (Capital disregards) are being amended to ensure that Scottish child payment assistance, as provided for by s.79 of the 2018 Act, is not regarded as income and capital in the calculation of entitlement to CTR.

4. Schedule 4 of the Working Age Regulations (Sums to be disregarded in the calculation of

income other than earnings) and schedule 5 of the Working Age Regulations (Capital to be disregarded) is being amended to ensure that Winter Heating Assistance payments, as provided for by s.30 of the 2018 Act, will not be regarded as income and capital in the calculation of entitlement to CTR.

5. Regulation 27(1) of the Pension Age Regulations (Meaning of “income”) and schedule 4 of the Pension Age Regulations (Capital disregards) are being amended to ensure that Winter Heating Assistance payments, as provided for by s.30 of the 2018 Act, will not be regarded as income and capital in the calculation of entitlement to CTR.

6. Recent changes to DWP Regulations allow, in some situations, a person to continue to receive Universal Credit for a short period after reaching pension age, in addition to State Pension Credit. Regulation 12 (Application) of each of the Working Age Regulations and the Pension Age Regulations are being amended so that where an applicant or, where a couple exists, any partner of that applicant reaches state pension age (so that both members of any couple have reached that age) and a payment of Universal Credit is subsequently made in respect of a period after that age is reached, then only the Pension Age Regulations should apply in calculating CTR entitlement. Also, the Universal Credit payment will be disregarded under regulation 27 of those Regulations. This will smooth the transfer of responsibility for CTR entitlement from the Working Age Regulations to the Pension Age Regulations for persons reaching that age and receiving Universal Credit.

7. Further amendments also provide for situations where Universal Credit continues to be paid after a person reaches pension age, without being entitled to it, and where a person of pension age forms a couple with a person below that age, if they remain entitled to State Pension Credit for a period that overlaps with receipt of Universal Credit. Again, the effect is that the Pension Age Regulations will apply and the Universal Credit payment will be disregarded.

8. The definition of “qualifying age for state pension credit” in regulation 2(1) of each of the Working Age Regulations and the Pension Age Regulations is being amended so that the “qualifying age for state pension credit” means pensionable age (see section 1(2)(b) and (6) of the State Pension Credit Act 2002). This is a simplification as a consequence of the equalisation of pension age for men and women, which means that the more lengthy definition is no longer necessary.

9. Schedule 1, para 2 (applicable amount: personal allowances) of the State Pension Age Regulations is being amended to remove references to the personal allowances for those aged under 65. The equalisation of pension age for men and women at 65 means that nobody can now qualify for these allowances.

10. Regulation 55 (Continuing payments where state pension credit claimed), regulation 59 (Date on which a change of circumstances is to take effect), schedule 2 (Sums to be disregarded in the calculation of earnings) and schedule 3 (Sums to be disregarded in the calculation of income other than earnings) of the State Pension Age Regulations are being amended to remove references to “age 65” and to replace them with “qualifying age for state pension credit”. This is a simplification as a consequence of the equalisation of pension age for men and women, and will avoid the need to amend either set of Regulations as state pension age alters.

11. Schedule 4 of the (sums that are to be disregarded as income) and schedule 5 (capital to be disregarded) of the Working Age Regulations are amended to exclude any crisis payments paid by a local authority in exercise of the power in section 20 of the Local Government in Scotland Act 2003 (power to advance well-being) if the funds have been provided by the Scottish Ministers. This widens the existing disregard for payments from Welfare Funds, to avoid the need for specific amendments to encompass some additional payments that may be made by local authorities or might be created.

12. Regulation 27 of the State Pension Age Regulations (Meaning of “income”) is being amended to exclude any crisis payments paid by a local authority in exercise of the power in section 20 of the Local Government in Scotland Act 2003 (power to advance well-being) if the funds have been provided by the Scottish Ministers,

Consultation

13. No formal consultation required to be carried out in relation to these Regulations.

Impact Assessments and Financial Effects

14. The instrument updates and amends existing Working Age Regulations and Pension Age Regulations. There are no specific impact assessments. The amendments will not have a material impact on the cost of the scheme.

Local Government and Communities
Scottish Government
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