

## POLICY NOTE

### THE COUNCIL TAX REDUCTION (SCOTLAND) AMENDMENT (No.3) (CORONAVIRUS) REGULATIONS 2021

#### SSI 2021/137

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.

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| <p><b>The purpose of these Regulations is to amend the Council Tax Reduction Regulations to fully disregard the one-off £500 payment to working households receiving tax credits.</b></p> |
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#### Policy Objectives

2. 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).

3. On 3 March the UK Government announced that a one-off payment of £500 would be paid to working households who receive tax credits. This payment will be made in April, to eligible households; it is not expected to be repeated. In the Working Age Regulations, Regulation 32 is being amended to ensure that the one-off payment is not regarded as income in the calculation of entitlement to CTR.

4. Schedule 5 (capital to be disregarded) of the Working Age Regulations is being amended to ensure that the one-off payment is not regarded as capital in the calculation of entitlement to CTR.

5. Schedule 4 (capital disregards) of the Pension Age Regulations is being amended to ensure that the one-off payment is not regarded as capital in the calculation of entitlement to CTR.

6. The Pension Age Regulations operate income calculations differently from the Working Age Regulations and there is no need to amend them as regards income. The one-off payment will not fall within their definition of income, so will be disregarded in making those calculations.

#### Consultation

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

#### Impact Assessments and Financial Effects

8. This instrument 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.

March 2021