

POLICY NOTE

THE COUNCIL TAX (DISCOUNTS) (SCOTLAND) AMENDMENT (NO. 2) ORDER 2023

SSI 2023/141

1. The above instrument is made in exercise of the powers conferred by section 113(1) and paragraph 2(1) (c) of schedule 1 of the Local Government Finance Act 1992. It is subject to the negative procedure.

The purpose of this Order is to amend The Council Tax (Discounts) (Scotland) Consolidation and Amendment Order 2003 (“the 2003 Order”).

The Order amends article 4(2) of the 2003 Order to update the qualifying benefits listed there. Entitlement to one or more of those qualifying benefits is one condition used to determine whether a resident is disregarded for the purposes of a council tax discount under section 79 and schedule 1 of the Local Government Finance Act 1992.

The Order also clarifies how the change in entitlement to disregard because of having an award of universal credit, brought about by the Council Tax Discounts (Scotland) Amendment Order 2023, is to be applied to the case of a person currently disregarded on the basis of universal credit

Policy Objectives

2. This instrument amends the Council Tax (Discounts) (Scotland) Consolidation and Amendment Order 2003 (“the 2003 Order”).

3. The Council Tax (Discounts) (Scotland) Amendment Order 2023 came into force on 1 April 2023. This amended universal credit as a qualifying benefit used to determine if a resident is disregarded for the purpose of a council tax discount under section 79 and schedule 1 of the Local Government Finance Act 1992 so that it applies only to universal credit where the person has limited capability for work or limited capability for work and work-related activity (LCW/LCWRA). To protect those who received a discount, prior to this amendment, the policy intention was that a resident would continue to be disregarded until there is either a change to the amount of council tax payable in respect of the dwelling (other than as a result of a change to the council tax rate), or a change in the person's universal credit award (other than as a result of the uprating of universal credit). This amendment clarifies that policy intention.

4. This instrument removes disabled person’s tax credit as a qualifying benefit used to determine if a resident is disregarded for the purpose of a council tax discount under section 79 and schedule 1 of the Local Government Finance Act 1992 and replaces this with working tax credit under the Tax Credits Act 2002, where the rate of working tax credit includes at least one element in respect of the fact the person has a disability. This amendment is required as disabled person’s tax credit can no longer be claimed or awarded.

5. This instrument also removes an outdated reference to the Naval, Military Pensions and Air Forces Etc. (Disablement and Death) Service Pensions Order 1983 and replaces it with

reference to the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006.

Consultation

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

Impact Assessments and Financial Effects

7. This instrument retains the original policy intent of the amended provisions and therefore no specific impact assessments are necessary.

8. This instrument will not have any impact on Council Tax Income foregone by local authorities.

Local Government and Housing
Scottish Government
3 May 2023