

POLICY NOTE

THE COUNCIL TAX REDUCTION (SCOTLAND) AMENDMENT (NO. 3) REGULATIONS 2024

SSI 2024/310

The above instrument is made in exercise of the powers conferred by sections 80 and 113(1) and (2) and paragraph 1 of schedule 2 of the Local Government Finance Act 1992. It is subject to the negative procedure.

Summary Box

This policy amendment makes changes to the Council Tax Reduction (State Pension Credit) (Scotland) Regulations 2012 (“the 2012 Regulations”) and the Council Tax Reduction (Scotland) Regulations 2021 (“2021 Regulations”). The purpose of these amendments is:

- **To provide that any payment made by or under “infected blood payment schemes”, as they will now be defined in the 2012 and the 2021 Regulations will be fully disregarded indefinitely as a source of capital within the Council Tax Reduction regulations. This will ensure that any individual receiving ex gratia payments, ongoing support payments, interim compensation or final compensation in respect of infected blood will not lose council tax reduction (“CTR”) entitlement, or fail to qualify for CTR, as a result.**
- **To provide for the disregard of a payment made by or under an infected blood payment scheme in calculating the gross income of a second adult or a non-dependent adult who lives with a council tax reduction applicant. This will again ensure that payments from the schemes do not impact CTR entitlement.**
- **To provide for the disregard of any payment made out of the estate of a person infected with contaminated blood, where the payment derives from a payment made by or under an infected blood payment scheme, directly to the estate, after the person had died. This will apply to each of the calculations of income and capital described above.**
- **To add payments made by or under an infected blood payment scheme, and payments derived from a payment made by or under a scheme directly to an estate, to the list of payments evidence relating to which does not need to be supplied.**
- **To update the disregards and evidence provisions, as necessary, to ensure they fully cover payments other than those related to infected blood.**

Policy Objectives

This instrument amends the Council Tax Reduction (Scotland) Regulations 2021 (“the 2021 Regulations”) and and The Council Tax Reduction (State Pension Credit) (Scotland) Regulations 2012 (“the 2012 Regulations”). The amendments come into force on the 1 December 2024.

On 23 August 2024 the UK government laid regulations that establish a national compensation scheme in law. This, along with future amendments to these Regulations, will give the Infected Blood Compensation Authority (IBCA) the powers to pay compensation to or in respect of eligible infected people, both who are living or who have died and also to living affected people. Their aim is to start making the first payments before the end of 2024 and the existing support schemes (including the Scottish Infected Blood Support Scheme) have also started accepting applications for interim compensation payments to estates on behalf of the UK Government.

The level of Council Tax Reduction (CTR) a household is entitled to depends on household circumstances, income, capital, savings, and other factors. The policy intent of these regulations is to ensure that those who receive compensation payments from IBCA directly or in some cases indirectly, for example through a payment made to them by an infected person, or from the estate of an infected person who has died, do not lose their existing CTR entitlement or be determined not to be entitled to CTR as a result. Ex gratia, support and interim compensation payments in relation to infected blood will also be fully disregarded.

Regulation 2 amends The Council Tax Reduction (State Pension Credit) (Scotland) Regulations 2012 (“the 2012 Regulations”). The amendment ensures that where a payment is made by or under an infected blood payment scheme it is disregarded in working out a person’s capital for the purposes of establishing entitlement to council tax reduction.

The amendment by regulation 2 also provides that where a payment by or under an infected blood payment scheme is made directly to the estate of an infected person after the person has died, the beneficiary of such a payment should have the sum paid out of the estate disregarded in calculating their capital for the purposes of CTR entitlement. Further, there is provision for disregard from capital in the event of an onward payment of money received from an infected blood payment scheme to certain persons. Regulation 2 also provides that payments made by or under infected blood payment schemes, or via the estate of a deceased infected person where a payment has been made by or under the scheme directly to the estate, are disregarded in calculating the gross income of a non-dependant adult who lives with a council tax reduction applicant or the gross income of a second adult who lives with a council tax reduction applicant. This ensures that entitlement to council tax reduction is not affected. The list of payments in paragraph 2 of schedule 5 of the 2012 Regulations to be disregarded in calculating the gross income of a second adult is updated, too, to include a number of other payments, including those related to vaccine damage, Post Office Compensation and Windrush Compensation. Similarly, the reference to payments in regulation 66, evidence in relation to which does not need to be provided in working out the impact on CTR entitlement, is updated to cover those made by or under infected blood payment schemes or via payments made directly to estates, as well as a number of other payments, again including Post Office and Windrush compensation.

Regulation 3 amends the Council Tax Reduction (Scotland) Regulations 2021 to make equivalent changes to those made to the 2012 Regulations in relation to disregard from capital of payments made under or by infected blood schemes and disregard of payments from estates derived from money paid directly to an estate under or by an infected blood payment scheme because an infected person has already died.

UN Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024 Compatibility

The Scottish Ministers have made the following statement regarding children's rights.

In accordance with section 23(2) of the United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024, the Scottish Ministers certify that, in their view, the Council Tax Reduction (Scotland) Amendment Regulations 2024 is compatible with the UNCRC requirements as defined by section 1(2) of the Act.

EU Alignment Consideration

This instrument is not relevant to the Scottish Government's policy to maintain alignment with the EU.

Consultation

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

Impact Assessments

A Child Rights and Wellbeing Impact Assessment has been carried out in relation to these Regulations.

Financial Effects

The Cabinet Secretary for Finance and Local Government confirms that no Business-Related Impact Assessment is necessary as the instrument has no financial effects on the Scottish Government, local government or on business.

Scottish Government
Local Government and Communities
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