

**EXPLANATORY MEMORANDUM TO**  
**THE COUNCIL TAX REDUCTION SCHEMES (PRESCRIBED**  
**REQUIREMENTS) (ENGLAND) (AMENDMENT) REGULATIONS 2013**

**2013 No. 3181**

1. This explanatory memorandum has been prepared by the Department for Communities and Local Government and is laid before Parliament by Command of Her Majesty.

This memorandum contains information for the Joint Committee on Statutory Instruments.

2. **Purpose of the instrument**

2.1 This instrument amends the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 ('Prescribed Requirements Regulations') (S.I. 2012/2885), as amended. The Prescribed Requirements Regulations make provision for localised council tax reduction schemes which replaced council tax benefit on 1 April 2013. The amendments in this instrument increase certain figures which are used in calculating whether a person is entitled to a reduction and the amount of that reduction. The purpose of uprating the figures is to maintain consistency with the situation that would have applied under council tax benefit. This instrument also updates the regulations to maintain consistency with changes which have come into effect in the housing benefit regime (see further paragraph 7.1).

3. **Matters of special interest to the Joint Committee on Statutory Instruments**

3.1 These Regulations amend the Prescribed Requirement Regulations in a number of respects in accordance with the Department's memorandum to the Joint Committee on Statutory Instruments, so far as relating to the Prescribed Requirements Regulations (published in the Committee's Sixteenth Report of Session 2012-13).

4. **Legislative Context**

4.1 This instrument introduces amendments to increase certain of the figures in the Prescribed Requirement Regulations. Section 13A of the 1992 Act requires billing authorities to make a scheme reducing the amount of council tax payable by those whom the authority considers to be in financial need. Schedule 1A to that Act sets out the particular matters that a scheme must include and the process by which it must be made. The Secretary of State may prescribe other matters that must be included in that scheme. He has done that in the Prescribed Requirement Regulations, and in particular schemes are required to make provision in respect of pensioners (as defined by those Regulations).

## **5. Territorial Extent and Application**

5.1 This instrument applies to England only.

## **6. European Convention on Human Rights**

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

## **7. Policy background**

7.1 This instrument aligns the premiums and applicable amounts in the Prescribed Requirements Regulations with the Department for Work and Pension's increased amounts following the Autumn Statement, in order to maintain consistency with the situation that would have applied under council tax benefit had council tax benefit not been abolished. The policy is to make amendments to the Prescribed Requirements Regulations in line with amendments made to the housing benefit regime for pensioners; this is because housing benefit and council tax benefit were broadly on all fours prior to 1 April 2013.

7.2 This instrument makes a number of minor corrections and consequential amendments due to changes in legislation (regulation 2(2) to (4), (7)(a), (b) and (d), (10) and (13)).

7.3 The amendments in regulation 2(5)(a) provide that rights of an EEA national who is a jobseeker (within the definition in the Immigration (European Economic Area) Regulations 2006, S.I. 2006/1003) are not to be treated as a right to reside for the purposes of entitlement. The Regulations also update the categories of persons who do not need to demonstrate habitual residence in the United Kingdom to include those granted leave or who are deemed to have been granted leave to be in Great Britain, in certain circumstances, outside the rules made under section 3(2) of the Immigration Act 1971 (regulation 2(5)(b)(i)).

7.4 These amendments also sets out that a person in receipt of income support, an income based job seeker's allowance or on an income-related employment and support allowance does not need to demonstrate habitual residence in the United Kingdom (regulation 2(5)(b)(iii)). In addition these Regulations also update the categories of persons who do not need to demonstrate habitual residence to include nationals of Croatia who treated as workers for the purposes of the worker authorisation scheme established by SI 2013/1460 (regulation 2(5)(b)(iii)).

7.5 The amendment in regulation 2(6) amends the provision which excludes persons subject to immigration control from being eligible for a reduction within a local authority's scheme. It makes an exception for persons who benefit from the European Convention on Social and Medical Assistance and European Social Charter.

7.6 Regulation 2(7)(c)(vi) make an amendment to reflect that a non-dependent deduction will not be made in respect of a member of the armed forces away on operations.

7.7 The amendments made in regulations 2(7)(c)(i) to (v), (8), (9) and (11) increase certain figures which are used in calculating whether a person is entitled to a reduction and the amount of that reduction. The up-rated figures relate to non-dependent deductions (adjustments made to the maximum amount of reduction a person can receive to take account of adults living in the dwelling who are not dependents of the applicant); the applicable amount in relation to an applicant for a reduction (the amount against which an applicant's income is compared in order to determine the amount of reduction to which he or she is entitled); the income bands in relation to which the amount of a person's alternative maximum council tax reduction is calculated and a disregard that applies when calculating a person's income.

7.8 The regulations ensure that certain payments made by a local authority for welfare purposes, and certain arrears of universal credit, will not be counted towards a person's capital for the purposes of working out their entitlement to a reduction (regulation 2(12)(a) and (b)). Regulation 2(12)(c) has the effect that payments to qualifying Equitable Life annuitants made under the Age-Related Payments Regulations 2013 (S.I. 2013/2980) do not affect eligibility for localised council tax support.

## **8. Consultation outcome**

8.1 This instrument has not been subject to specific consultation; however, many of the issues it addresses have been subject to discussion with local authorities and other interested parties during the past year via the Department's Council Tax Partnership Forum. The instrument was published in draft on 25 November 2013 at:

<https://www.gov.uk/government/publications/localising-support-for-council-tax-draft-regulations-2013>

All local authorities were notified individually of the publication of the draft. No comments were received.

## **9. Guidance**

9.1 We do not plan to issue guidance. Billing authorities are already familiar with the way these council tax support calculations work, and with the uprating process. Local authorities will be notified individually of this instrument as part of the Department's regular communications.

## **10. Impact**

10.1 An impact assessment has not been produced for this instrument as no impact on the private or voluntary sector is foreseen. The impact on the public sector is minimal.

## **11. Regulating small business**

11.1 The legislation does not apply to small business.

## **12. Monitoring & review**

12.1 The Government has undertaken to review the Prescribed Requirements Regulations on an annual basis to ensure that any necessary updating is carried out, and to implement any other necessary updates.

## **13. Contact**

Marie Hazzard at the Department for Communities and Local Government, tel: 0303 444 3608 or email: [marie.hazzard@communities.gsi.gov.uk](mailto:marie.hazzard@communities.gsi.gov.uk) can answer any queries regarding the instrument.