

EXPLANATORY MEMORANDUM TO
THE COUNCIL TAX REDUCTION SCHEMES (PRESCRIBED
REQUIREMENTS) (ENGLAND) (AMENDMENT)
REGULATIONS 2014

2014 No. 448

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.

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 Prescribed Requirements Regulations contain figures which are used in calculating whether a person is entitled to a reduction and the amount of that reduction. These Regulations amend the Prescribed Requirements Regulations to correct two errors in the recent amending Regulations (S.I. 2013/3181).

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

3.1 None.

4. Legislative Context

4.1 Section 13A of the Local Government Finance Act 1992 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). The Prescribed Requirements Regulations contain figures to be used in calculating an applicant's entitlement to a council tax reduction under an authority's scheme (based on a comparison between a person's income and the "applicable amount" in relation to that person; see paragraph 6 of Schedule 1 as to applicable amounts). This instrument makes amendments to two of the figures used in calculating an applicant's "applicable amount".

5. Territorial Extent and Application

5.1 This instrument applies to England only.

6. European Convention on Human Rights

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

7. Policy background

7.1 An applicant's "applicable amount" consists of allowances and premiums applicable to that person. This instrument amends (i) the personal allowance in respect of an additional spouse in a polygamous marriage who is a member of the same household as the applicant, where all the members of the marriage are below the age of 65; and (ii) the family premium, where the applicant is a member of a family and at least one of the members of the family is a child or young person. The figures are amended to align them 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.

8. Consultation outcomes

8.1 This instrument has not been subject to specific consultation.

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.

10.2 The Office of Budgetary Responsibility forecast for subsidised council tax benefit expenditure for 2013/14 on which the funding distribution for billing authorities was based, always took into account that council tax benefit allowances would be uprated. This forecast was revised in the recent Autumn Statement and reflects, among other things, all relevant measures announced at the Autumn Statement, including the up-rating of benefits.

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 check for any updates needed, including to premiums, disregards and the like.

13. Contact

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