
EXPLANATORY NOTE

(This note is not part of the Regulations)

Section 13A of the Local Government Finance Act 1992 (“the 1992 Act”) requires each billing authority in England to make a scheme specifying the reductions which are to apply to amounts of council tax payable by persons, or classes of person, whom the billing authority considers are in financial need. The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (“the 2012 Regulations”, [S.I. 2012/2885](#)) prescribe matters which must be included in such a scheme in addition to those matters which must be included in such a scheme by virtue of paragraph 2 of Schedule 1A to the 1992 Act.

These Regulations amend the 2012 Regulations. The amendments made by regulations 3, 6(2)(f) and (g), 6(3), 6(4), 7(5), 7(6), 7(7)(a) and (b) and 7(8) insert references to a new social security benefit, adult disability payment, to provide for how it is taken into account when determining eligibility for, and the amount of, a reduction.

The amendments made by regulation 4 relate to the prescribed requirement that persons treated as not being in Great Britain must not be included in an authority’s scheme. A person is treated as not being in Great Britain if they are not habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland. No person shall be treated as habitually resident without a relevant right to reside in the place where they are habitually resident. However, certain categories of people are exempt from this habitual residence test. Regulation 4(b) provides that persons from Ukraine who left that country in connection with the Russian invasion and who have been granted leave in accordance with the immigration rules, have a right of abode in the UK, or do not require leave to enter or remain in the UK, are exempt from the habitual residence test. Regulation 4(a) and (c) also make amendments so as to provide that any person who has leave outside the immigration rules is to be treated as exempted from having to satisfy the habitual residence test.

The amendments made by regulation 5 provide that payments made in connection with the “Homes for Ukraine” scheme are not to be taken into account when determining eligibility for a reduction and the amount of a reduction.

The figures in the 2012 Regulations which are updated by regulations 6(2)(a) to (e), 7(2) to (4), 7(9), 8 and 9 relate to non-dependant 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 dependants 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 the amounts to be deducted from the calculation of the applicant’s income other than earnings.

The amendments made by regulation 7(7)(c) and 7(8) reflect amendments which had been made to the equivalent provisions of the Housing Benefit (Persons who have attained the qualifying age for State Pension Credit) Regulations 2006 ([S.I. 2006/214](#)), but which had not previously been reflected in the 2012 Regulations.

An impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.