
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”) 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 regulation 3 update the reference to the Grenfell Tower support payment and provide for new definitions for Post Office compensation payment, vaccine damage payment and the Victims of Overseas Terrorism Scheme.

Regulation 12 of the 2012 Regulations provides that persons “treated as not being in Great Britain” are not eligible for a council tax reduction; that is, where he or she is not habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland. Regulation 4 of these Regulations amends regulation 12 of the 2012 Regulations. The amendments provide for further exemptions from the habitual residence test for persons displaced by violence in Israel, Palestine or Sudan, dependent on immigration status.

The figures in the 2012 Regulations which are updated by regulations 5(2)(a) to (e) and 6 to 8 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.

Regulation 5(2)(f) and (g) amends Schedule 1 to the 2012 Regulations to provide that certain payments will be disregarded in calculating non-dependant deductions in relation to an application for a council tax reduction.

Regulation 9 amends the provisions in Schedule 6 to the 2012 Regulations which relate to the capital of an applicant for a council tax reduction which is to be disregarded in calculating that reduction. The amendments add to the list of “capital disregards” payments under the Victims of Overseas Terrorism Compensation Scheme, vaccine damage payments, Post Office compensation payments, payments out of the estate of a deceased person in connection with infected blood compensation schemes, statutory bereavement support payments and certain widowed parent’s or bereavement support payments made to the cohabiting partner of a deceased parent.

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