
STATUTORY INSTRUMENTS

2014 No. 3312

COUNCIL TAX, ENGLAND

The Council Tax Reduction Schemes (Prescribed Requirements)
(England) (Amendment) (No. 2) Regulations 2014

Made - - - - 16th December 2014
Laid before Parliament 18th December 2014
Coming into force - - 12th January 2015

The Secretary of State makes the following Regulations in exercise of the powers conferred by section 113(1) and (2) of, and paragraph 2 of Schedule 1A to, the Local Government Finance Act 1992(1):

Citation, commencement and application

1. (1) These Regulations may be cited as the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) (No. 2) Regulations 2014 and come into force on 12th January 2015.

(2) These Regulations apply in relation to council tax reduction schemes(2) made by billing authorities for financial years beginning on or after 1st April 2015.

Amendment of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

2. (1) The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012(3) are amended as follows.

(2) In regulation 2 (interpretation)—

(a) in paragraph (1)—

(i) for the definition of “contributory employment and support allowance” substitute—

““contributory employment and support allowance” means an allowance under Part 1 of the Welfare Reform Act 2007(4) as amended by the provisions of

(1) 1992 c.14. Section 113(1) was amended by paragraphs 2 and 9(a) of Schedule 1 to the Local Government Act 1999 (c.27); paragraphs 40 and 52 of Schedule 7 to the Local Government Act 2003 (c.26) and section 80 of the Localism Act 2011 (c.20); Schedule 1A was inserted by Schedule 4 to the Local Government Finance Act 2012 (c.17).
(2) See section 13A(9) of the Local Government Finance Act 1992 for the definition of “council tax reduction scheme”.
(3) S.I. 2012/2885, amended by S.I. 2012/3085, 2013/3181, 2014/107, 2014/448, 2014/513.
(4) 2007 c. 5.

Schedule 3, and Part 1 of Schedule 14, to the Welfare Reform Act 2012(5) that remove references to an income-related allowance and a contributory allowance under Part 1 of the Welfare Reform Act 2007 as that Part has effect apart from those provisions;”;

- (ii) omit the definition of “service user group”;
- (b) after paragraph (7) insert—
 - “(8) References in these Regulations to an applicant participating as a service user are to—
 - (a) a person who is being consulted by or on behalf of—
 - (i) a body which has a statutory duty to provide services in the field of health, social care or social housing; or
 - (ii) a body which conducts research or undertakes monitoring for the purpose of planning or improving such services,
 - in their capacity as a user, potential user, carer of a user or person otherwise affected by the provision of those services; or
 - (b) the carer of a person consulted as described in sub-paragraph (a) where the carer is not being consulted as described in that sub-paragraph.”.
- (3) In regulation 6 (meaning of “family”)—
 - (a) omit the “or” following paragraph (3)(a);
 - (b) after paragraph (3)(b) insert—
 - “; or
 - (c) entitled to an award of universal credit.”.
- (4) In regulation 12(5) (persons treated as not being in Great Britain)—
 - (a) in sub-paragraph (h) omit “, an income-based jobseeker’s allowance”;
 - (b) omit the “or” following sub-paragraph (h);
 - (c) after sub-paragraph (h) add—
 - “(ha) “(ha) in receipt of an income-based jobseeker’s allowance and has a right to reside other than a right to reside falling within paragraph (4); or”.
- (5) In Schedule 1 (pensioners: matters that must be included in an authority’s scheme)—
 - (a) in paragraph 8 (non-dependant deductions)—
 - (i) in sub-paragraph (1)(a) for “£11.25” substitute “£11.36”;
 - (ii) in sub-paragraph (1)(b) for “£3.70” substitute “£3.74”;
 - (iii) in sub-paragraph (2)(a) for “£188.00” substitute “£189.00”;
 - (iv) in sub-paragraph (2)(b) for “£188.00”, “£326.00” and “£7.45” substitute “£189.00”, “£328.00” and “£7.52” respectively;
 - (v) in sub-paragraph (2)(c) for “£326.00”, “£406.00” and “£9.40” substitute “£328.00”, “£408.00” and “£9.49” respectively;
 - (vi) in sub-paragraph (8)—
 - (aa) omit the “or” following paragraph (a);
 - (bb) after paragraph (b) add—
 - “; or

- (c) who is entitled to an award of universal credit where the award is calculated on the basis that the person does not have any earned income.”;
- (vii) after sub-paragraph (11) insert—
 - “(11A) For the purposes of sub-paragraph (8), “earned income” has the meaning given in regulation 52 of the Universal Credit Regulations 2013(6).”;
- (b) in the following provisions for “applicant’s participation in a service user group” substitute “applicant participating as a service user”—
 - (i) paragraph 18(2)(f) (earnings of employed earners);
 - (ii) paragraph 22(12) (notional income);
 - (iii) paragraph 23(3) (income paid to third parties);
- (c) in paragraph 25 (treatment of child care charges)—
 - (i) in sub-paragraph (10)(c) and (e) after “Employment and Support Allowance Regulations 2008” insert “or the Employment and Support Allowance Regulations 2013(7)”;
 - (ii) in sub-paragraph (10)(g) for “or allowance to which sub-paragraph (vii) or (viii)” substitute “or allowance or payment to which sub-paragraph (v), (vii) or (viii)”;
 - (iii) in sub-paragraph (13)(b) for “would be payable but for” substitute “has ceased to be payable by virtue of”;
- (d) in the following provisions for “social security contributions” substitute “national insurance contributions”—
 - (i) paragraph 28(c) (disregard of changes in tax, contributions etc);
 - (ii) in paragraph 29 (calculation of net profit of self-employed earners)—
 - (aa) sub-paragraph (1)(b)(i);
 - (bb) sub-paragraph (2)(b)(ii);
 - (cc) sub-paragraph (8)(a)(ii);
 - (iii) paragraph 30(3) (calculation of tax and contributions of self-employed earners).
- (6) In Schedule 2 (applicable amounts)—
 - (a) in column (2) of the Table in paragraph 1—
 - (i) in sub-paragraph (1)(a) for “£148.35” substitute “£151.20”;
 - (ii) in sub-paragraph (1)(b) for “£165.15” substitute “£166.05”;
 - (iii) in sub-paragraph (2)(a) for “£226.50” substitute “£230.85”;
 - (iv) in sub-paragraph (2)(b) for “£247.20” substitute “£248.28”;
 - (v) in sub-paragraph (3)(a) for “£226.50” substitute “£230.85”;
 - (vi) in sub-paragraph (3)(b) for “£78.15” substitute “£79.65”;
 - (vii) in sub-paragraph (4)(a) for “£247.20” substitute “£248.28”;
 - (viii) in sub-paragraph (4)(b) for “£82.05” substitute “£82.26”;
 - (b) in column (2) of the Table in paragraph 2 for “£66.33” in each place where it occurs substitute “£66.90”;

(6) S.I. 2013/376 to which there are amendments not relevant to these Regulations.

(7) S.I. 2013/379, amended by S.I. 2013/591, 2013/1508, 2014/107, 2014/147, 2014/516, 2014/597, 2014/884, 2014/1097, 2014/2309.

- (c) in the second column of the Table in Part 4—
 - (i) in paragraph (1)(a) and (b)(i) for “£61.10” substitute “£61.85”;
 - (ii) in paragraph (1)(b)(ii) for “£122.20” substitute “£123.70”;
 - (iii) in paragraph (2) for “£24.08” substitute “£24.43”;
 - (iv) in paragraph (3) for “£59.50” substitute “£60.06”;
 - (v) in paragraph (4) for “£34.20” substitute “£34.60”.
- (7) In column (1) of the Table in paragraph 1 of Schedule 3 (amount of alternative maximum council tax reduction)—
 - (a) in paragraph (b)(i) for “£185.00” substitute “£187.00”;
 - (b) in paragraph (b)(ii) for “£185.00” and “£241.00” substitute “£187.00” and “£243.00” respectively.
- (8) In Schedule 4 (sums disregarded from applicant’s earnings)—
 - (a) in paragraph 5(1)(d)(ii) after “Employment and Support Allowance Regulations 2008” insert “or regulation 7 of the Employment and Support Allowance Regulations 2013”;
 - (b) in paragraph 6(6)(a) after “Employment and Support Allowance Regulations 2008” insert “or regulation 39(1)(a), (b) or (c) of the Employment and Support Allowance Regulations 2013”.
- (9) In paragraph 19(2)(b) of Schedule 5 (amounts to be disregarded in the calculation of income other than earnings) for “£57.35” substitute “£57.90”.
- (10) In Schedule 6 (capital disregards)—
 - (a) in paragraph 21(2)—
 - (i) omit the “or” following paragraph (o);
 - (ii) after paragraph (p) insert—
 - “; or
 - (q) universal credit.”;
 - (b) in paragraph 22(2)(b) after “Jobseeker’s Allowance Regulations” insert “1996(8)”;
 - (c) in paragraph 22(2)(e) after “Employment and Support Allowance Regulations” insert “2008(9)”.

Transitional provision

- 3. (1) The amendment in regulation 2(4) does not apply to a person who, on 31st March 2015—
 - (a) is liable to pay council tax at a reduced rate by virtue of a council tax reduction under an authority’s scheme established under section 13A(2) of the Act; and
 - (b) is entitled to an income-based jobseeker’s allowance,
 until the first of the events in paragraph (2) occurs.
 - (2) The events are—
 - (a) the person makes a new application for a reduction under an authority’s scheme established under section 13A(2) of the Act; or
 - (b) the person ceases to be entitled to an income-based jobseeker’s allowance.
 - (3) In this regulation “the Act” means the Local Government Finance Act 1992.

(8) S.I. 1996/207; relevant amending instrument is S.I. 2002/2380.

(9) S.I. 2008/794 to which there are amendments not relevant to these Regulations.

Signed by authority of the Secretary of State for Communities and Local Government

16th December 2014

Kris Hopkins
Parliamentary Under Secretary of State
Department for Communities and Local
Government

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 authority considers are in financial need (“a council tax reduction scheme”). 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 matters set out in paragraph 2 of Schedule 1A to the 1992 Act. These Regulations amend the 2012 Regulations. The majority of the amendments are to ensure consistency with changes to social security legislation.

The revised definition in the amendment in regulation 2(2)(a)(i) is in relation to Part 1 of the Welfare Reform Act 2012. As a result of that Act, income-related employment and support allowance will be abolished and employment and support allowance will no longer consist of separate contributory and income-related allowances, but only of a contributory allowance to be known simply as “employment and support allowance”. The amended definition in these Regulations includes both the old-style and the new-style form of employment and support allowance.

The amendments in regulation 2(2)(a)(ii), (2)(b) and (5)(b) replace the existing definition of, and references to, a “service user group” with the revised definition of, and references to, an “applicant participating as a service user”.

The amendments in regulation 2(3), (5)(a)(vi) and (vii) and (10)(a) insert references to universal credit where there are already references to other income-related benefits.

The amendments in regulation 2(4) restrict the category of person eligible to receive a reduction under a council tax reduction scheme. Under regulation 12 of the 2012 Regulations, persons not in Great Britain are prescribed as a category of person who must not be included in an authority’s scheme. These Regulations prescribe that a person who is in receipt of an income-based jobseeker’s allowance and whose only right to reside falls within the categories specified in regulation 12(4) of the 2012 Regulations, is a person to be treated as not being in Great Britain.

The amendments in regulation 2(5)(a)(i) to (v), (6), (7) and (9) increase certain of the figures which are used in calculating whether a person is entitled to a reduction and the amount of that reduction. The uprated figures 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 a disregard that applies when calculating a person’s income.

The amendments in regulation 2(5)(c)(i) and (8) update the 2012 Regulations to include references to the Employment and Support Allowance Regulations 2013 (S.I. 2013/379). The amendment in regulation 2(5)(c)(iii) is a minor clarification amendment.

The amendment in regulation 2(5)(c)(ii) adds Personal Independence Payment to the list of payments for which a member of a couple is treated as incapacitated if they were in receipt of the payment but have ceased to be by virtue of hospitalisation.

The amendments in regulation 2(5)(d) update references to “social security contributions” to “national insurance contributions”.

The amendments in regulation 2(10)(b) and (c) make minor referencing amendments to the 2012 Regulations.

Regulation 3 contains a transitional provision. The amendment in regulation 2(4) will not apply to a person who, on 31st March 2015, is entitled to income-based jobseeker's allowance and liable to pay council tax at a reduced rate under an authority's scheme until that person is no longer entitled to income-based jobseeker's allowance or makes a new claim for a council tax reduction, whichever is earlier.

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

