

EXPLANATORY MEMORANDUM TO
THE COUNCIL TAX REDUCTION SCHEMES (PRESCRIBED REQUIREMENTS)
(ENGLAND) (AMENDMENT) REGULATIONS 2015

2015 No. 2041

1. Introduction

- 1.1 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 (“the Prescribed Requirements Regulations”) (S.I. 2012/2885). 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 Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

- 3.1 None.

Other matters of interest to the House of Commons

- 3.2 As this instrument is subject to the negative procedure and has not been prayed against, consideration as to whether there are other matters of interest to the House of Commons does not arise at this stage.

4. Legislative Context

- 4.1 Section 13A of the Local Government Finance Act 1992 (“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).
- 4.2 This instrument introduces amendments to increase certain of the figures in the Prescribed Requirement Regulations. This instrument also makes various amendments to the Prescribed Requirements Regulations in order to mirror, as far as possible, changes to the Housing Benefit (Persons who have attained the qualifying

age for state pension credit) Regulations 2006 (S.I. 2006/214) (“the 2006 Regulations”).

5. Extent and Territorial Application

- 5.1 The extent of this instrument is England and Wales.
- 5.2 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

What is being done and why

- 7.1 This instrument aligns certain allowances and deductions in the Prescribed Requirements Regulations with the Department for Work and Pension’s increased amounts following the November 2015 Autumn Statement and Spending Review, 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; this is because housing benefit and council tax benefit were broadly on all fours prior to 1 April 2013.
- 7.2 Regulation 2(2) amends the definition of “applicant participating as a service user” to include those engaged in certain consultations by or on behalf of the Secretary of State for Work and Pensions or a research body. The amendment ensures consistency with other social security legislation, in particular the 2006 Regulations as amended by S.I. 2015/67.
- 7.3 The amendments made in regulation 2(3)(a), (4)(a) and (5) increase certain figures which are used in calculating whether a person is entitled to a reduction and the amount of that reduction. The updated 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 in relation to a person’s capital.
- 7.4 The amendment made by regulation 2(3)(b) makes new provision about the point at which an applicant’s average weekly earnings should be taken into account and reflects S.I. 2015/6.
- 7.5 Regulation 2(3)(c) and (d) amends terminology in relation to National Insurance Contributions, from “small earnings exception” to “small profits threshold”. This is a consequence of the change in terminology resulting from the National Insurance Contributions Act 2015.
- 7.6 The amendments in regulation 2(4)(b), (6) and (7) amend the Prescribed Requirements Regulations to reflect amendments made by S.I. 2015/1857 which abolish the family premium with effect from 1 May 2016. Regulation 3 provides for

transitional provision in relation to the ending of the family premium. Applicants benefitting from the family premium on 30 April 2016 will continue to receive it until they are no longer responsible for a child or young person or they make a new application for a reduction under an authority's scheme.

- 7.7 Regulation 2(4)(c) and (d), reflect amendments to the 2006 Regulations made by S.I. 2015/1754. This provides that where a carer for a severely disabled person who has an award of universal credit which includes the carer element, that severely disabled person will not be entitled to an additional amount for care in their award of income-related benefit. Regulation 3 provides for transitional provision in relation to the ending of the family premium. Applicants benefitting from the family premium on 30th April 2016 will continue to receive it until they are no longer responsible for a child or young person or they make a new application for a reduction under an authority's scheme.
- 7.8 Regulation 2(8) amends the Prescribed Requirements Regulations to introduce a category of capital disregard for any payments made to an applicant in respect of a personal budget for a child or young person with an Education, Health and Care plan under the Children and Families Act 2014.

Consolidation

- 7.9 There are no plans to undertake a consolidation.

8. Consultation outcome

- 8.1 This instrument has not been subject to specific consultation; however billing authorities are aware of the Government's intention to maintain consistency with the situation which would have applied under council tax benefit and with the housing benefit regime for pensioners (see paragraph 7.1).

9. Guidance

- 9.1 We do not plan to issue guidance. Billing authorities are already familiar with the Prescribed Requirements Regulations, and with the uprating process. Billing authorities will be notified individually of this instrument, and reminded of the approach to updating the Prescribed Requirement Regulations as part of the Department's regular communications.

10. Impact

- 10.1 There is no impact on business, charities or voluntary bodies.
- 10.2 The impact on the public sector is minimal.
- 10.3 An Impact Assessment has not been prepared for this instrument.

11. Regulating small business

- 11.1 The legislation does not apply to activities that are undertaken by small businesses.

12. Monitoring & review

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

12.2 The Regulations do not include a review provision under section 28 of the Small Business, Enterprise and Employment Act 2015 because the Regulations do not make any regulatory provision in relation to a qualifying activity carried on by business or voluntary and community bodies.

13. Contact

13.1 Leona Patterson at the Department for Communities and Local Government telephone: 0303 444 3547 or email: leona.patterson@communities.gsi.gov.uk can answer any queries regarding the instrument.