



Department for Levelling Up,  
Housing & Communities

**Local Taxation Division**  
*Department for Levelling Up, Housing & Communities*  
Fry Building  
2 Marsham Street  
London  
SW1P 4DF

To: Local Authorities in England.

Email: [council.tax@levellingup.gov.uk](mailto:council.tax@levellingup.gov.uk)

[www.gov.uk/dluhc](http://www.gov.uk/dluhc)

21 October 2022

## **FOR THE ATTENTION OF THE COUNCIL TAX SECTION**

Dear Colleague

This letter provides an update on the Local Council Tax Support scheme implications for Cost of Living payments, persons in receipt of Infected Blood Payments, and the treatment of nationals of a state which has ratified the European Convention on Social and Medical Assistance or a state that has ratified the Council of Europe Social Charter. There is also a brief update on upcoming changes to our Prescribed Requirements Regulations.

This information will be of interest to billing authorities as they administer their Local Council Tax Support (LCTS) schemes during 2022-23 and prepare to make updates for 2023-24.

### **Cost of Living Payments**

As a result of the rising cost of living, the Government is providing a range of support to households. A list of payments can be found here:  
<https://www.gov.uk/government/publications/cost-of-living-support/cost-of-living-support-factsheet-26-may-2022>

The £650 cost of living payment for those on means tested benefits and the £150 Disability Cost of Living Payments were established by [Social Security \(Additional Payments\) Act 2022](#). Section 8(a) of the Act prescribes that no account should be taken of these payments when calculating a person's liability to tax. This includes the calculation of council tax and any associated LCTS reduction provided under a pension or working age scheme.

The £300 Pensioner Cost of Living payment will be paid as an addition to the Winter Fuel Payment, and as such should be disregarded when calculating entitlement to a council tax

reduction under the existing provisions of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012.

## **Compensation and Redress for the Victims of Infected Blood**

On 29 July, Sir Brian Langstaff published his interim report regarding compensation and redress for those affected by the tragedy of infected blood or blood products. Further to this, it is anticipated that compensation payments will be made to eligible individuals already registered with a UK infected blood support scheme on, or around, the 28 October 2022. These payments will each individually total £100k. Additional individuals will receive this payment on an ad-hoc basis following registration with the relevant UK infected blood support scheme. It is important to note that these capital compensation sums are not available to be accessed for the purposes of offsetting social care charges. [Existing legislation](#) allows for this disregard.

Billing authorities may find it helpful to note that the [Council Tax Reduction Schemes \(Prescribed Requirements\) \(England\) Regulations 2012](#) make provision for such “approved blood schemes” to be disregarded when calculating a pension age applicant’s entitlement to a council tax reduction.<sup>1</sup>

Where locally designed LCTS schemes for working age applicants do not already contain this disregard, billing authorities are encouraged to make appropriate provision when reviewing and updating their scheme for 2023-24 onwards. In the meantime, billing authorities are reminded of their ability to provide a discretionary discount under the s13A(1)(c) of the Local Government Finance Act 1992 where receipt of an infected blood payment affects an applicant’s reduction.

A copy of Sir Brian Langstaff’s interim report is available here:  
<https://www.infectedbloodinquiry.org.uk/sites/default/files/2022-07/Infected%20Blood%20Inquiry%20Interim%20Report.pdf>.

## **The Social Security and Council Tax Reduction Schemes (Amendment) Regulations 2022**

The Social Security and Council Tax Reduction Schemes (Amendment) Regulations 2022, which came into force on 3 May 2022 amend Regulation 13 of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (“persons subject to immigration control”). This amendment must be reflected in all LCTS schemes from 2023-24 onwards.

The regulations, which were made by the Secretary of State for Work and Pensions, can be found at the following address: <https://www.legislation.gov.uk/uksi/2022/449/made>

### *Background*

---

<sup>1</sup> The infected blood provisions were inserted by the Council Tax Reduction Schemes (Amendment) (England) Regulations 2017 (SI 2017/1305)

The Government has a manifesto commitment that European Economic Area (EEA) citizens arriving in the UK from 1 January 2021 will have their benefit entitlement(s) standardised with non-EEA migrants. This means ending their entitlement to State Pension Credit, Housing Benefit and Local Council Tax Support Schemes.

As part of this the Government identified a need to make provision for nationals of a state which has ratified the European Convention on Social and Medical Assistance (ECSMA) or a state that has ratified the Council of Europe Social Charter.<sup>2</sup> This cohort has not previously been addressed in Brexit-related legislation. This means that from 1 April 2023, billing authorities may no longer include provision within their LCTS schemes for a person subject to immigration control who is a national of a state which has ratified the European Convention on Social and Medical Assistance (ECSMA) or a state that has ratified the Council of Europe Social Charter. The Regulations do this by removing the exception that persons from such states are treated as persons not subject to immigration control. The regulations have no impact on persons with leave to remain under the EU Settlement Scheme.

### **The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2023**

Every year, the Government amends legislation to ensure that pension-age Local Council Tax Support Schemes are updated in line with the wider benefits system.

The Department is considering what updates are necessary with a view to amending the relevant legislation in due course. We anticipate that the regulations should be laid in January and in good time to come into force in advance of the 11 March 2023. We will reach out with more detail on the changes closer to the time.

Should you have any queries about the matters set out in this Council Tax Information Letter, please contact:

[council.tax@levellingup.gov.uk](mailto:council.tax@levellingup.gov.uk) (council tax)

[internationalaccessto.benefitpolicyteam@dwp.gov.uk](mailto:internationalaccessto.benefitpolicyteam@dwp.gov.uk) (for immigration and benefits)

### **Local Taxation Division**

**DLUHC**

---

<sup>2</sup> These are the 25 European Union (EU) and EEA states, in addition to Turkey and North Macedonia.