



Ministry of Housing,
Communities &
Local Government

Local Taxation Division

*Ministry of Housing, Communities
and Local Government*

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FOR THE ATTENTION OF THE COUNCIL TAX SECTION

Council Tax Information Letter – 14 January 2020

Dear Colleague,

This letter sets out the impact on the administration of council tax of two pieces of legislation which have recently been laid before Parliament. These are the Council Tax (Demand Notices) (England) (Amendment) Regulations 2020 and the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2020.

The Council Tax (Demand Notices) (England) (Amendment) Regulations 2020

On 10 January 2020, the Council Tax (Demand Notices) (England) (Amendment) Regulations 2020 were laid before Parliament. The Regulations come into force on 5 February 2020 and amend the Council Tax (Demand Notices) (England) Regulations 2011 to reflect the proposed continuation of the Adult Social Care Precept in 2020-21 [“ASC Precept”].¹

The Regulations referred to above can be found online at:

<http://www.legislation.gov.uk/ukxi/2020/21/contents/made>

The Council Tax (Demand Notices) (England) (Amendment) Regulations 2020 update the text about the purpose of the ASC Precept which must appear in the information supplied with demand notices [the ‘council tax leaflet’] for financial years from 2020-21 onwards. The previous text referred to the Secretary of State’s offer of charging the ASC Precept being in place until 2019-20. The revised text indicates that the Secretary of State may choose to renew this offer for subsequent years with the approval of the House of Commons.

¹ The requirements in the 2011 Regulations to include information about the ASC Precept were inserted by the Council Tax (Demand Notices) (England) (Amendment) Regulations 2016 [SI 2016/188] and the Council Tax (Demand Notices) (England) (Amendment) Regulations 2017 [SI 2017/13]

The regulations make no changes to the information, figures or percentages relating to the ASC Precept which must appear on the demand notice itself.

The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2020

On 13 January 2020, the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2020 were laid before Parliament. The Regulations come into force on 11 February 2020 and amend the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 to reflect wider policy changes.

The Regulations referred to above can be found online at:

<http://www.legislation.gov.uk/ukxi/2020/23/contents/made>

The amendments made by the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2020 are set out below.

Uprating

The Regulations uprate figures to be included in pension-age schemes relating to:

- Non-dependant deductions (adjustments made to the maximum amount of reduction an applicant can receive to take account of non-dependant adults living in the dwelling).
- Applicable amounts (the amount against which an applicant's income is compared to determine the amount of reduction to which they are entitled).
- The calculating of an applicant's alternative maximum council tax reduction.
- The calculating of an applicant's income.

Income and Capital Disregards

The Regulations also require pension-age schemes to make provision for the treatment of the following payments:

- Payments of early years assistance. These payments are to be disregarded when calculating an applicant's income and capital.
- Payments of funeral expense assistance. These payments are to be disregarded when calculating an applicant's income and capital.
- Payments of arrears of maternity allowance or payments made as compensation for non-payment of maternity allowance. These payments are to be disregarded when calculating an applicant's capital.

- Payments relating to the Grenfell Tower fire. These include payments made out of certain charitable funds, support payments made by the council of the Royal Borough of Kensington and Chelsea, and payments made under the Grenfell Tower Residents' Discretionary Fund. These payments are to be disregarded when calculating an applicant's income and capital.
- Payments under the Windrush Compensation Scheme (including urgent and exceptional payments made in advance of the Scheme becoming operational). These payments are to be disregarded when calculating an applicant's income and capital.
- Parental bereavement pay is to be disregarded when calculating an applicant's income.

Habitual Residence Test

The Regulations make minor amendments relating to the requirement that persons treated as not being habitually resident in Great Britain must not be included in an authority's scheme:

- References to the Immigration (European Economic Area) Regulations 2006 are replaced by references to the Immigration (European Economic Area) Regulations 2016.
- References to transitional measures relating to Croatian nationals are revoked as Croatia's accession to the EU is now complete.
- The Regulations provide that certain changes to UK immigration law do not establish habitual residency for persons who have not previously had this right. In particular, provision is made that certain rights created for European Economic Area and Swiss nationals and for 'Zambrano' carers are not relevant rights to reside for the purposes of establishing habitual residency.

Other Changes

Other changes have been made to ensure that the Regulations remain in-line with the wider benefits system:

- The Regulations provide that a person is not to be treated as being engaged in remunerative work whilst they are on parental bereavement leave.
- The meaning of "couple" is amended following the introduction of opposite-sex civil partnerships.

Should you have any further queries about any of the matters set out in this letter, please contact the Department at: council.tax@communities.gov.uk.