



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@communities.gov.uk](mailto:council.tax@communities.gov.uk)

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

**13/01/2022**

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

Dear Colleague

### **The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2022**

This letter summarises the provisions of the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2022 [“the Regulations”] which were laid before Parliament on 13 January 2022 and come into force on 11 February 2022. The Regulations can be found at the following address:

<https://www.legislation.gov.uk/ukxi/2022/25/contents/made>

### **Background**

Each year, the Government amends the [Council Tax Reduction Schemes \(Prescribed Requirements\) \(England\) Regulations 2012](#) to ensure that pension-age Local Council Tax Support (LCTS) schemes are updated in line with changes in the wider benefits system. The annual update also provides an opportunity to ensure that the residency requirements for accessing both pension-age and working-age LCTS remain consistent with the UK’s immigration policy.

### **Uprating**

Reflecting the latest annual review of benefits and pension rates announced by the Department for Work and Pensions on 25 November 2021<sup>1</sup>, the Regulations uprate the amounts which must be included in pension-age LCTS schemes from 2022-23:

- Non-dependant deductions – the adjustments made to the maximum amount of council tax reduction an applicant can receive to reflect non-dependant adults living in the property;
- Applicable amounts - the amount against which a person’s income is compared to determine the amount of reduction to which they are entitled;
- Premiums – the additional amounts of income which persons with particular characteristics – such as those with disabilities – can have without their eligibility for a council tax reduction being affected;

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<sup>1</sup> <https://questions-statements.parliament.uk/written-statements/detail/2021-11-25/hcws420>

- The amount which may be disregarded where the applicant is the parent of a specified student under the age of 25 and makes an eligible contribution to their maintenance; and
- The alternative maximum council tax reduction - this allows an LCTS recipient whose income or savings exceed the usual eligibility threshold to obtain a 25 per cent reduction in their bill where they share their home with one or more adults who do not pay rent, are not their partner, and who have a combined weekly income below the specified amount.

### **Income and capital disregards**

From 2022-23 onwards, pension age schemes must make provision for the treatment of the following payments:

- Redress payments for survivors of historical child abuse in Scotland or Northern Ireland must be disregarded when considering eligibility for LCTS when the person pays council tax in England;
- Child Disability Payments, which are replacing children's Disability Living Allowance in Scotland, must be disregarded in the same way as DLA when a pension age LCTS applicant with responsibility for a disabled child relocates to England; and
- Payments made under the Windrush Compensation Scheme (Expenditure) Act 2020 must be disregarded when considering eligibility for LCTS.

### **Habitual residence test**

The Regulations make changes so that persons of working or pension age entering the UK from Afghanistan must be treated as habitually resident in the UK if they

- have been granted leave to remain by virtue of the Afghan Relocations and Assistance Policy, the Afghan Citizens Resettlement Scheme or the previous scheme for locally-employed staff in Afghanistan; or
- left Afghanistan in connection with the collapse of the Afghan government that took place on 15 August 2021.

Should you have any queries about the Regulations, please contact the Department at:  
[council.tax@communities.gov.uk](mailto:council.tax@communities.gov.uk).

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**DLUHC**