



Department for Levelling Up,  
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**11/04/2022**

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

Dear Colleague

### **The Council Tax (Discount Disregards and Exempt Dwellings) (Amendment) (England) Regulations 2022**

### **The Collection Fund (Council Tax Reductions) (England) Directions 2022**

This letter confirms that the Council Tax (Discount Disregards and Exempt Dwellings) (Amendment) (England) Regulations 2022 [“the Regulations”] were laid before Parliament on 11 April 2022 and will come into force on 12 April 2022. The Regulations can be found at the following address: <http://www.legislation.gov.uk/id/uksi/2022/439>.

In addition, the Collection Fund (Council Tax Reductions) (England) Directions 2013 were revoked on 11 April 2022 and replaced by the Collection Fund (Council Tax Reductions) (England) Directions 2022 [“the Directions”] with immediate effect. The Directions can be found at the following address: <https://www.gov.uk/government/publications/the-collection-fund-council-tax-reductions-england-directions-2022>.

### **Background**

On 1 April 2022 the Department issued [Council Tax Information Letter 8/2022](#) which set out the steps it would take to deliver the Secretary of State’s commitment that participation in the Homes of Ukraine scheme would not affect the sponsor household’s council tax status.<sup>1</sup>

### *The Council Tax (Discount Disregards and Exempt Dwellings) (Amendment) (England) Regulations 2022*

The regulations amend the Council Tax (Additional Provisions for Discount Disregards) Regulations 1992 so that a person who has secured an immigration permission under Homes for Ukraine is disregarded for council tax discounts. This will protect the sponsor’s single person discount and the 50% discount received by households where all the occupants are already disregarded.

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

The regulations also amend the Council Tax (Exempt Dwellings) Order 1992 so that there is no loss of an exemption where a household hosts a person who has secured an immigration permission under Homes for Ukraine.

*The Collection Fund (Council Tax Reductions) (England) Directions 2022*

The local council tax support (LCTS) applications of households participating in Homes for Ukraine could be affected by the £350 monthly ‘thank you’ payment and non-dependent deductions arising from the presence and income of their Ukrainian guest.

LCTS schemes for 2022-23 had to be finalised by 11 March 2022. The Local Government Finance Act 1992 (‘the 1992 Act’) does not permit the in-year changes necessary to create new Homes for Ukraine-related disregards. However, billing authorities may wish to consider whether the locally designed terms of their current working age schemes might allow such a disregard.

To protect the LCTS reductions of sponsoring households, the Government encourages billing authorities to reverse any Homes for Ukraine impacts by providing discretionary discounts under s13A(1)(c) of the 1992 Act. To facilitate this, the new Collection Fund (Council Tax Reductions) (England) Directions 2022 specify that where a discount is provided to offset a Homes for Ukraine-related increase in council tax liability during the remainder of 2022-23 the billing authority is not required to make a payment into the collection fund. The net impact of this measure will be that billing authorities and major preceptors will receive the same amount of income as if there had been no Homes for Ukraine impact on the LCTS claim.

In all other respects the new Directions operate in the same way as the now-revoked 2013 Directions.

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

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