



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)

**13/1/2023**

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

Dear Colleague

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

This letter summarises the provisions of the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2023 [“the Regulations”] which were laid before Parliament on 13 January 2023 and come into force on 10 February 2023. The Regulations and Explanatory Memorandum can be found at the following address: <https://www.legislation.gov.uk/ukxi/2023/16/contents/made>.

#### **Background**

As in previous years, the Government has amended 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. Billing authorities must ensure that the requirements of the updated regulations are reflected in their LCTS schemes for 2023-24 by 11 March 2023.

#### **Uprating**

Reflecting the latest annual review of benefits and pension rates announced by the Department for Work and Pensions on 28 November 2022<sup>1</sup>, the Regulations uprate the following amounts which must be included in pension age LCTS schemes from 2023-24:

- 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;

---

<sup>1</sup> <https://www.gov.uk/government/publications/benefit-and-pension-rates-2023-to-2024/benefit-and-pension-rates-2023-to-2024>

- 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**

Consistent with changes to the wider benefits system, the Regulations require that two new payments must be disregarded when assessing a person's income or capital:

- The new Adult Disability Payment established by the Scottish Government is not to be treated as the income of a pension age person claiming LCTS when moving to England; and
- The £350 monthly thank you payments made to "Homes for Ukraine" sponsors must be disregarded when assessing the income or capital of both working age and pension age applicants.

### **Demonstrating 'habitual residence'**

The Regulations also provide that the following persons of working or pension age will not need to demonstrate "habitual residence" in Great Britain in order to receive LCTS:

- Those arriving from Ukraine in connection with the Russian invasion; and
- Other individuals granted leave to enter or remain in the UK outside the Immigration Rules and with recourse to public funds.

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

**Local Taxation Division**  
**DLUHC**