

**Social Justice and Social Security Committee**  
**Thursday 21 November 2024**  
**31<sup>st</sup> Meeting, 2024 (Session 6)**

## **Note by the Clerk on the Council Tax Reduction (Scotland) Amendment (No. 3) Regulations 2024 (SSI 2024/310)**

### **Overview**

1. At this meeting, the Committee will consider the following Scottish Statutory Instrument (SSI), which is subject to annulment by resolution of the Parliament until 10 December 2024. The Committee is invited to consider the instrument and decide what, if any, recommendations to make.
2. More information about the instrument is summarised below:

**Title of instrument:** [The Council Tax Reduction \(Scotland\) Amendment \(No. 3\) Regulations 2024](#)

**Laid under:** Local Government Finance Act 1992

**Laid on:** 1 November 2024

**Procedure:** Negative

**Deadline for committee consideration:** 9 December 2024

**Deadline for Chamber consideration:** 10 December 2024

**Commencement:** 1 December 2024

### **Procedure**

3. Under the negative procedure, an instrument is laid after it is made, and is subject to annulment by resolution of the Parliament for a period of 40 days beginning on the day it is laid.
4. Once laid, the instrument is referred to:
  - the Delegated Powers and Law Reform (DPLR) Committee, for scrutiny on various technical grounds, and
  - a lead committee, whose remit includes the subject-matter of the instrument, for scrutiny on policy grounds.

5. Any MSP may propose, by motion, that the lead committee recommend annulment of the instrument. If such a motion is lodged, it must be debated at a meeting of the Committee, and the Committee must then report to the Parliament (by the advisory deadline referred to above).
6. If there is no motion recommending annulment, the lead committee is not required to report on the instrument.

## **Delegated Powers and Law Reform Committee consideration**

7. The DPLR Committee considered the instrument on [12 November 2024](#) and reported on it in its [65th Report, 2024](#). The Committee made no recommendations in relation to the instrument.

## **Purpose of the instrument**

8. This policy amendment updates the Council Tax Reduction (State Pension Credit) (Scotland) Regulations of 2012 and 2021. The key changes ensure that:
  - Payments from "infected blood payment schemes" are fully disregarded as capital, so recipients won't lose council tax reduction (CTR) eligibility.
  - Income assessments for second or non-dependent adults in a CTR applicant's household also disregard these payments, preventing any negative impact on CTR eligibility.
  - Payments from the estate of a deceased person affected by infected blood are disregarded in income and capital calculations.
  - These payments are exempt from evidence requirements, with updated provisions covering payments beyond those related to infected blood.
9. The [Policy Note](#) accompanying the instrument is included in Annexe A. No formal consultation was required to be carried out in relation to these Regulations.

## **Committee consideration**

10. So far, no motion recommending annulment has been lodged.
11. Members are invited to consider the instrument and decide whether there are any points they wish to raise. If there are, options include:
  - seeking further information from the Scottish Government (and/or other stakeholders) through correspondence, and/or
  - inviting the Minister (and/or other stakeholders) to attend the next meeting to give evidence on the instrument.

It would then be for the Committee, at the next meeting, to consider the additional information gathered and decide whether to make recommendations in relation to the instrument.

12. If members have no points to raise, the Committee should note the instrument (that is, agree that it has no recommendations to make).
13. However, should a motion recommending annulment be lodged later in the 40-day period, it may be necessary for the Committee to consider the instrument again.

**Clerks to the Committee  
November 2024**

# ANNEXE

## POLICY NOTE

### THE COUNCIL TAX REDUCTION (SCOTLAND) AMENDMENT (NO. 3) REGULATIONS 2024

#### SSI 2024/310

The above instrument is made in exercise of the powers conferred by sections 80 and 113(1) and (2) and paragraph 1 of schedule 2 of the Local Government Finance Act 1992. It is subject to the negative procedure.

#### Summary Box

**This policy amendment makes changes to the Council Tax Reduction (State Pension Credit) (Scotland) Regulations 2012 (“the 2012 Regulations”) and the Council Tax Reduction (Scotland) Regulations 2021 (“2021 Regulations”). The purpose of these amendments is:**

- **To provide that any payment made by or under “infected blood payment schemes”, as they will now be defined in the 2012 and the 2021 Regulations will be fully disregarded indefinitely as a source of capital within the Council Tax Reduction regulations. This will ensure that any individual receiving ex gratia payments, ongoing support payments, interim compensation or final compensation in respect of infected blood will not lose council tax reduction (“CTR”) entitlement, or fail to qualify for CTR, as a result.**
- **To provide for the disregard of a payment made by or under an infected blood payment scheme in calculating the gross income of a second adult or a non- dependent adult who lives with a council tax reduction applicant. This will again ensure that payments from the schemes do not impact CTR entitlement.**
- **To provide for the disregard of any payment made out of the estate of a person infected with contaminated blood, where the payment derives from a payment made by or under an infected blood payment scheme, directly to the estate, after the person had died. This will apply to each of the calculations of income and capital described above.**
- **To add payments made by or under an infected blood payment scheme, and payments derived from a payment made by or under a scheme directly to an estate, to the list of payments evidence relating to which does not need to be supplied.**
- **To update the disregards and evidence provisions, as necessary, to ensure they fully cover payments other than those related to infected blood.**

## **Policy Objectives**

This instrument amends the Council Tax Reduction (Scotland) Regulations 2021 (“the 2021 Regulations”) and and The Council Tax Reduction (State Pension Credit) (Scotland) Regulations 2012 (“the 2012 Regulations”). The amendments come into force on the 1 December 2024.

On 23 August 2024 the UK government laid regulations that establish a national compensation scheme in law. This, along with future amendments to these Regulations, will give the Infected Blood Compensation Authority (IBCA) the powers to pay compensation to or in respect of eligible infected people, both who are living or who have died and also to living affected people. Their aim is to start making the first payments before the end of 2024 and the existing support schemes (including the Scottish Infected Blood Support Scheme) have also started accepting applications for interim compensation payments to estates on behalf of the UK Government.

The level of Council Tax Reduction (CTR) a household is entitled to depends on household circumstances, income, capital, savings, and other factors. The policy intent of these regulations is to ensure that those who receive compensation payments from IBCA directly or in some cases indirectly, for example through a payment made to them by an infected person, or from the estate of an infected person who has died, do not lose their existing CTR entitlement or be determined not to be entitled to CTR as a result. Ex gratia, support and interim compensation payments in relation to infected blood will also be fully disregarded.

Regulation 2 amends The Council Tax Reduction (State Pension Credit) (Scotland) Regulations 2012 (“the 2012 Regulations”). The amendment ensures that where a payment is made by or under an infected blood payment scheme it is disregarded in working out a person’s capital for the purposes of establishing entitlement to council tax reduction.

The amendment by regulation 2 also provides that where a payment by or under an infected blood payment scheme is made directly to the estate of an infected person after the person has died, the beneficiary of such a payment should have the sum paid out of the estate disregarded in calculating their capital for the purposes of CTR entitlement. Further, there is provision for disregard from capital in the event of an onward payment of money received from an infected blood payment scheme to certain persons. Regulation 2 also provides that payments made by or under infected blood payment schemes, or via the estate of a deceased infected person where a payment has been made by or under the scheme directly to the estate, are disregarded in calculating the gross income of a non-dependant adult who lives with a council tax reduction applicant or the gross income of a second adult who lives with a council tax reduction applicant. This ensures that entitlement to council tax reduction is not affected. The list of payments in paragraph 2 of schedule 5 of the 2012 Regulations to be disregarded in calculating the gross income of a second adult is updated, too, to

include a number of other payments, including those related to vaccine damage, Post Office Compensation and Windrush Compensation. Similarly, the reference to payments in regulation 66, evidence in relation to which does not need to be provided in working out the impact on CTR entitlement, is updated to cover those made by or under infected blood payment schemes or via payments made directly to estates, as well as a number of other payments, again including Post Office and Windrush compensation.

Regulation 3 amends the Council Tax Reduction (Scotland) Regulations 2021 to make equivalent changes to those made to the 2012 Regulations in relation to disregard from capital of payments made under or by infected blood schemes and disregard of payments from estates derived from money paid directly to an estate under or by an infected blood payment scheme because an infected person has already died.

### **UN Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024 Compatibility**

The Scottish Ministers have made the following statement regarding children’s rights.

In accordance with section 23(2) of the United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024, the Scottish Ministers certify that, in their view, the Council Tax Reduction (Scotland) Amendment Regulations 2024 is compatible with the UNCRC requirements as defined by section 1(2) of the Act.

### **EU Alignment Consideration**

This instrument is not relevant to the Scottish Government’s policy to maintain alignment with the EU.

### **Consultation**

No formal consultation was required to be carried out in relation to these Regulations.

### **Impact Assessments**

A Child Rights and Wellbeing Impact Assessment has been carried out in relation to these Regulations.

### **Financial Effects**

The Cabinet Secretary for Finance and Local Government confirms that no Business-Related Impact Assessment is necessary as the instrument has no financial effects on the Scottish Government, local government or on business.

**Scottish Government  
Local Government and Communities  
October 2024**