

2012 No. 2886

COUNCIL TAX, ENGLAND

The Council Tax Reduction  
Schemes (Default Scheme)  
(England) Regulations 2012

<i>Made</i> - - - -	<i>16th November 2012</i>
<i>Laid before Parliament</i> -	<i>22nd November 2012</i>
<i>Coming into force</i> - -	<i>18th December 2012</i>



---

STATUTORY INSTRUMENTS

---

2012 No. 2886

**COUNCIL TAX, ENGLAND**

**The Council Tax Reduction Schemes (Default Scheme)  
(England) Regulations 2012**

<i>Made</i> - - - -	<i>16th November 2012</i>
<i>Laid before Parliament</i>	<i>22nd November 2012</i>
<i>Coming into force</i> - -	<i>18th December 2012</i>

The Secretary of State makes the following Regulations in exercise of the powers conferred by section 113(1) and (2) of, and paragraph 4 of Schedule 1A to, the Local Government Finance Act 1992(a):

**Citation, commencement and application**

1.—(1) These Regulations may be cited as the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 and come into force on 18th December 2012.

(2) These Regulations apply in relation to billing authorities in England.

**Default scheme**

2. The scheme set out in the Schedule to these Regulations is the scheme prescribed for the purposes of paragraph 4 of Schedule 1A to the Local Government Finance Act 1992.

Signed by authority of the Secretary of State for Communities and Local Government

16th November 2012

*Brandon Lewis*  
Parliamentary Under Secretary of State  
Department for Communities and Local Government

---

(a) 1992 c.14. Section 113(1) and (2) was amended by paragraphs 2 and 9(a) of Schedule 1 to the Local Government Act 1999 (c.27); paragraphs 40 and 52 of Schedule 7 to the Local Government Act 2003 (c.26) and section 80 of the Localism Act 2011 (c.20); Schedule 1A was inserted by Schedule 4 to the Local Government Finance Act 2012 (c.17).

# CHAPTER 5

(5) The amount in respect of any qualifying contribution is to be calculated by multiplying the daily amount of the qualifying contribution by the number equal to the number of days in the assessment period; and for the purposes of this paragraph the daily amount of the qualifying contribution is to be determined—

- (a) where the qualifying contribution is payable monthly, by multiplying the amount of the qualifying contribution by 12 and dividing the product by 365;
- (b) in any other case, by dividing the amount of the qualifying contribution by the number equal to the number of days in the period to which the qualifying contribution relates.

(6) Where the earnings of an applicant are estimated under paragraph 47(2)(b) (average weekly earnings of employed earners: classes D to F), his net earnings is to be calculated by taking into account those earnings over the assessment period, less—

- (a) an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 35 to 37 of the Income Tax Act 2007(a) (personal allowances) as is appropriate to his circumstances but, if the assessment period is less than a year, the earnings to which the basic rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph is to be calculated on a pro rata basis;
- (b) an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the SSCBA in respect of those earnings if such contributions were payable; and
- (c) one-half of any sum which would be payable by the applicant by way of a contribution towards an occupational or personal pension scheme, if the earnings so estimated were actual earnings.



## Earnings of self-employed earners: persons who are not pensioners

53.—(1) Subject to sub-paragraph (2), “earnings”, in the case of employment as a self-employed earner of a person who is not a pensioner, means the gross income of the employment.

(2) “Earnings” does not include any payment to which paragraph 31 or 32 of Schedule 8 refers (payments in respect of a person accommodated with the applicant under arrangements made by a local authority or voluntary organisation and payments made to the applicant by a health authority, local authority or voluntary organisation in respect of persons temporarily in the applicant’s care) nor does it include any sports award.

(3) This paragraph applies to—

- (a) royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent or trade mark; or
- (b) any payment in respect of any—
  - (i) book registered under the Public Lending Right Scheme 1982; or
  - (ii) work made under any international public lending right scheme that is analogous to the Public Lending Right Scheme 1982,

where the applicant is the first owner of the copyright, design, patent or trade mark, or an original contributor to the book or work concerned.

(4) Where the applicant’s earnings consist of any items to which sub-paragraph (3) applies, those earnings must be taken into account over a period equal to such number of weeks as is equal

next page  
(p 140  
of this  
document)

(a) 2007 c.3; the heading and subsection (1) of section 35 were amended by section 4 of the Finance Act 2012 (c.14) (“2012 Act”); subsections (2) and (4) were inserted by section 4 of the Finance Act 2009 (c.10). In section 36, the heading and subsection (2) were amended by, subsection (1) substituted by, and subsection (2A) inserted by section 4 of the 2012 Act; subsection (2) has also been amended by S.I. 2011/2926 and section 4 of the Finance Act 2009. In section 37, the heading and subsection (2) were amended by, subsection (1) substituted by, and subsection (2A) inserted by section 4 of the 2012 Act; subsection (2) has also been amended by S.I. 2011/2926 and section 4 of the Finance Act 2009.

# Schedule 8.

(d) in accordance with regulations made pursuant to section 14F of the Children Act 1989 (special guardianship support services);

(2) Any payment, other than a payment to which sub-paragraph (1)(a) applies, made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.

31. Any payment made to the applicant with whom a person is accommodated by virtue of arrangements made—

(a) by a local authority under—

(i) section 23(2)(a) of the Children Act 1989 (provision of accommodation and maintenance for a child whom they are looking after),

(ii) section 26 of the Children (Scotland) Act 1995 (manner of provision of accommodation to child looked after by local authority), or

(iii) regulations 33 or 51 of the Looked After Children (Scotland) Regulations 2009 (fostering and kinship care allowances and fostering allowances); or

(b) by a voluntary organisation under section 59(1)(a) of the Children Act 1989 (provision of accommodation by voluntary organisations).

32. Any payment made to the applicant or his partner for a person ("the person concerned"), who is not normally a member of the applicant's household but is temporarily in his care, by—

(a) a health authority;

(b) a local authority but excluding payments of housing benefit made in respect of the person concerned;

(c) a voluntary organisation;

(d) the person concerned pursuant to section 26(3A) of the National Assistance Act 1948;

(e) a primary care trust established under section 16A of the National Health Service Act 1977 or established by an order made under section 18(2)(c) of the National Health Service Act 2006; or

(f) a Local Health Board established under section 11 of the National Health Service (Wales) Act 2006.

33. Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 or section 22, 29 or 30 of the Children (Scotland) Act 1995 (provision of services for children and their families and advice and assistance to certain children).

34.—(1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989 or section 29 of the Children (Scotland) Act 1995 (local authorities' duty to promote welfare of children and powers to grant financial assistance to persons in, or formerly in, their care) to a person ("A") which A passes on to the applicant.

(2) Sub-paragraph (1) applies only where A—

(a) was formerly in the applicant's care, and

(b) is aged 18 or over, and

(c) continues to live with the applicant.

35.—(1) Subject to sub-paragraph (2), any payment received under an insurance policy taken out to insure against the risk of being unable to maintain repayments—

(a) on a loan which is secured on the dwelling which the applicant occupies as his home; or