

Scottish Government submission of 20 April 2023

PE1976/D: Backdate council tax discounts for dementia to the date of GP certification

Thank you for your correspondence requesting further information from the Scottish Government in relation to PE1976.

Council tax, as a local tax, provides both financial and administrative accountability to individual councils. Whilst the law that defines all aspects of council tax is a matter for the Scottish Government and Parliament, how councils interpret and administer the law, including in relation to the backdating of council tax discounts and disregards in individual cases, is rightfully a matter for each local authority to determine.

However, the Scottish Government is aware of the differing approaches across Scotland's local authorities to the administration of the council tax disregard for persons suffering from a Severe Mental Impairment (SMI) and how unfair it can be for the most vulnerable to be subject to a divergence of approaches within Scotland.

Scottish Ministers therefore instructed officials to work with COSLA to try to encourage all 32 Scottish local authorities to adopt a common approach to administering this disregard. This would directly address one of the Committee's concerns and have the result of ensuring that no matter where someone applies for this disregard in Scotland, the process, backdating policy and the application form would be identical. It is our understanding that COSLA's political leadership is scheduled to consider this proposal in the coming weeks.

The Scottish Government's initial response to the Committee also noted that the law does allow for applications for the council tax disregard for persons determined as having a severe mental impairment to be backdated to when the applicant became eligible. The Scottish Government will ensure that legislation defining the qualifying state benefits, and thus eligibility, for this disregard is kept up to date to reflect the changing benefits landscape.

Although there are no current plans for wider amendments to the law determining eligibility for the council tax SMI disregard, Scottish Ministers convened a Joint Working Group, co-chaired with the Scottish Greens and COSLA, which is considering meaningful short term changes to council tax to reflect circumstances created by the cost crisis and approaches to longer term reform. The establishment of this Joint Working Group has created the forum for the Scottish Government and local government to jointly assess and consider matters such as those identified by the Committee.