

Social Justice and Social Security Committee  
Thursday, 12 June 2025  
18<sup>th</sup> Meeting, 2025 (Session 6)

## **Note by the Clerk on the Council Tax Reduction (Miscellaneous Amendment) (Scotland) (No. 3) Regulations 2025 (SSI 2025/150)**

### **Overview**

1. At this meeting, the Committee will consider a negative Scottish Statutory Instrument (SSI), which is subject to annulment by resolution of the Parliament until 24 June 2025. 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:** Council Tax Reduction (Miscellaneous Amendment) (Scotland) (No. 3) Regulations 2025

**Laid under:** [Local Government Finance Act 1992](#)

**Laid on:** 16 May 2025

**Procedure:** Negative

**Deadline for committee consideration:** 23 June 2025

**Deadline for Chamber consideration:** 24 June 2025

**Commencement:** 25 June 2025

### **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 [27 May 2025](#) and reported on it in its [37th Report, 2025](#).
8. The Committee made no recommendations in relation to the instrument.

## **Purpose of the instrument**

9. This instrument amends the Council Tax Reduction (State Pension Credit) (Scotland) Regulations 2012 (“the 2012 Regulations”) and the Council Tax Reduction (Scotland) Regulations 2021 (“the 2021 Regulations”).
10. The [Policy Note](#) explains that the instrument provides for statutory neonatal care pay paid in accordance with section 171ZZ16 of the Social Security Contributions and Benefits Act 1992 to be taken into account as employed earnings of a person who is employed in calculating their entitlement to council tax reduction.
11. It also provides for childcare costs to continue to be considered in calculating entitlement to council tax reduction during a period of neonatal care leave for a person in remunerative work.
12. The instrument additionally amends the 2021 Regulations to make the equivalent changes in relation to the treatment of statutory neonatal care pay and neonatal care leave as are made to the 2012 Regulations.
13. The Policy Note accompanying the instrument is included at the Annex. No formal consultation was required to be carried out in relation to these Regulations.

## **Committee consideration**

14. So far, no motion recommending annulment has been lodged.
15. 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.

16. 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.

17. If members have no points to raise, the Committee should note the instrument (that is, agree that it has no recommendations to make).

18. 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**  
**June 2025**

## Annex

### POLICY NOTE

#### THE COUNCIL TAX REDUCTION (MISCELLANEOUS AMENDMENT) (SCOTLAND) (NO. 3) REGULATIONS 2025

#### SSI 2025/150

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 instrument amends the Council Tax Reduction (Scotland) Regulations 2021 (“the 2021 Regulations”), and the Council Tax Reduction (State Pension Credit) (Scotland) Regulations 2012 (“the 2012 Regulations”).

The purpose of this instrument is to amend regulations to ensure that Statutory Neonatal Care Pay and Neonatal Care Leave, which are new entitlements to statutory pay and leave, are treated in a similar manner to other forms of statutory parental pay and parental leave - such as Maternity Leave and Pay, Parental Bereavement Leave, Paternity Leave and Pay and Shared Parental Leave and Pay, in the calculation of entitlement to Council Tax Reduction.

#### Statutory Neonatal Care Leave and Pay

3. Statutory Neonatal Care Pay and Neonatal Care Leave are new entitlements to leave and statutory payment which will support parents whose child or children are born sick or prematurely and require neonatal care. This entitlement will be in addition to other forms of statutory parental pay and parental leave - such as Maternity Leave and Pay, Parental Bereavement Leave, Paternity Leave and Pay and Shared Parental Leave and Pay.

4. To qualify for Statutory Neonatal Care Pay and Neonatal Care Leave parents must be employees of an employer, and their baby must be admitted into hospital as a newborn no older than 28 days to receive medical care or must receive palliative or end-of-life care beginning when they are a newborn no more than 28 days old. In either case the care must last for a continuous period of seven days or more. Statutory Neonatal Care Pay and Neonatal Care Leave entitlement is available for up to a maximum of 12 weeks beginning with the date on which the neonatal care starts.

5. To claim Statutory Neonatal Care Pay, parents will need to have worked for their

employer for at least 26 weeks prior to the baby entering neonatal care and meet the other eligibility requirements. Self-employed people will not be eligible.

### **Policy Objectives**

6. This instrument amends the 2012 Regulations and the 2021 Regulations. The amendments come into force on 25 June 2025.

7. The level of Council Tax Reduction (CTR) a household is entitled to depends on the household circumstances, earned and unearned income, capital, savings, and other factors. The policy intent of these regulations is to ensure that Statutory Neonatal Care Pay and Neonatal Care Leave will be treated in the same way as other forms of statutory parental pay and parental leave in the CTR scheme. Those who receive Statutory Neonatal Care Pay and Neonatal Care Leave will be treated as being in remunerative work for the purposes of having childcare costs considered in calculating their entitlement to CTR. A person will for all other purposes be treated as not being in remunerative work.

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

8. 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 (Miscellaneous Amendment) (Scotland) (No.3) Regulations 2025 is compatible with the UNCRC requirements as defined by section 1(2) of the Act.

### **EU Alignment Consideration**

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

### **Consultation**

10. No formal consultation was required to be conducted in relation to these Regulations.

### **Impact Assessments**

11. A Child Rights and Wellbeing Impact Assessment is provided with this instrument. No other Impact Assessments have been undertaken.

### **Financial Effects**

12. The policy measures implemented in this instrument will not increase the level of Council Tax householders pay or reduce the level of CTR received. That is because all the changes maintain the current level of council tax liability that a household has, rather than reducing or increasing it.

13. The Cabinet Secretary for Finance and Local Government confirms that no BRIA is necessary as the instrument has no financial effects on the Scottish Government, local government or on business.

Scottish Government  
Local Government Directorate  
May 2025