

<b>REPORT TO:</b>	Executive Board
<b>REPORT NO:</b>	HF/135/18
<b>DATE:</b>	11 December 2018
<b>LEAD MEMBER:</b>	Councillor Mark Pritchard (Organisation - Finance, Performance, Health and Safety and Governance)
<b>CONTACT OFFICER:</b>	Mark Owen (Tel: 292701)
<b>SUBJECT:</b>	Council Tax Reduction Scheme 2019/20
<b>WARD:</b>	All

## **1. PURPOSE OF THE REPORT**

- 1.1 To approve a Council Tax Reduction Scheme to commence in April 2019, for the 2019/20 Financial Year.

## **2. EXECUTIVE SUMMARY**

- 2.1 The Council adopted a Council Tax Reduction Scheme (CTRS) as per the requirements laid by Welsh Government on 13 December 2017, in respect of the 2018/19 Financial Year. The Council is required to review its scheme annually.
- 2.2 The main regulations drafted by Welsh Government do not contain any significant changes. Recipients will receive a 100% award if they are in receipt of certain benefits.

## **3 RECOMMENDATIONS**

**To recommend to Council that they:**

- 3.1 Note the making of the Council Tax Reduction Scheme and Prescribed Requirements (Wales) Regulations ("the Prescribed Requirements Regulations") by the Welsh Assembly on 27 November 2013;**
- 3.2 Note the outcome of the consultation exercise undertaken by the Council on its local discretions in its Council Tax Reduction Scheme (section 6);**
- 3.3 Adopt The Council Tax Reduction Scheme and Prescribed Requirements (Wales) Regulations 2013, as the Council's Scheme for the Financial Year 2019/20, subject to the local discretions that the Council is able to exercise as set out in paragraph 7.1 below and**

- 3.4 Delegate to the Head of Finance (in consultation with the Leader) authority to consider, approve and/or deal with as necessary any amendments which may be made to the “Amendment regulations” following consideration by the National Assembly for Wales when these regulations are laid and approved by Welsh Government.**

## **REASONS FOR RECOMMENDATIONS**

- (i) The Council is obliged to approve a Council Tax Reduction Scheme for 2019/20 under the Prescribed Requirements Regulations by 31 January 2019.
- (ii) Due to the timing of the spending Review, it is likely that the uprating regulations for Benefits, will not be laid until late December at the earliest, and therefore will not be debated by the National Assembly for Wales until December 2018 at the earliest, as a result it will mean that the amendment regulations will not be approved by the Assembly until late January 2019.

## **4. BACKGROUND INFORMATION**

- 4.1 Welsh Government has worked in conjunction with local government colleagues in Wales to look at areas where the previous regulations could be enhanced.
- 4.2 The Council Tax Reduction Scheme in Wales is set by Regulations made under Schedule 1B of the Local Government Finance Act 1992 (as inserted by the Local Government Finance Act 2012). On 27 November, the Welsh Assembly approved two sets of regulations: the Council Tax Reduction Schemes (Default Schemes) (Wales) Regulations 2013 (“the Default Scheme Regulations”)<sup>1</sup> and the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 (“the Prescribed Requirements Regulations”). These Regulations prescribe the main features of the Scheme to be adopted by all councils in Wales.
- 4.3 Within the Prescribed Requirements Regulations, there is limited discretion given to the Council to apply additional discretionary elements that are more generous than the national scheme and which provide for additional administrative flexibility. These are:
- The ability to increase the standard extended reduction period of 4 weeks given to persons after they return to work where they have previously been receiving a Council Tax reduction that is to end as a result of their return to work;
  - Discretion to increase the amount of War Disablement Pensions and War Widows Pensions which is to be disregarded when calculating income of the claimant;
  - The ability to backdate the application of Council Tax reduction with regard to late claims prior to the new standard period of three months before the claim.
- 4.4 If the Council decided to offer more generous local discretions this would further increase the cost of the scheme. The Council proposes to leave the discretions which it adopted last year unchanged, unless the consultation exercise has highlighted any other views.

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<sup>1</sup> These can be accessed: [http://www.legislation.gov.uk/wsi/2014/66/pdfs/wsi\\_20140066\\_mi.pdf](http://www.legislation.gov.uk/wsi/2014/66/pdfs/wsi_20140066_mi.pdf)

- 4.5 The Prescribed Requirements Regulations determine that the Council adopts a Council Tax Reduction Scheme by 31 January 2019, regardless of whether it applies any of the discretionary elements. If the Council fails to approve a scheme, then a default scheme shall apply under the provisions of the Default Scheme Regulations.

## 5. IMPLICATIONS

- 5.1 **Policy Framework** – The Council is obliged to approve a scheme under the requirements of the Prescribed Requirements Regulations notwithstanding the fact that a default scheme would come into effect even if the Council failed to approve a scheme.
- 5.2 **Budget** – The CTRS funding is included in the Revenue Settlement on the basis of 2014/15 actual spend, this does not cover the full costs of the scheme and it is possible that if any changes in regulations in the spending review are announced that this could further increase the cost of the scheme.
- 5.3 **Legal** – The Council is obliged to make a Council Tax Reduction Scheme under the Prescribed Requirements Regulations. Although the legislation provides for a default scheme to apply in the absence of the Council making the scheme, the Council is nevertheless under a statutory duty to adopt its own scheme, even if it chooses not to apply any of the discretionary elements.
- 5.4 **Staffing** – There are no staffing implications to the adoption of the scheme in 2019/20, however as a result of the rollout of Universal Credit during 2017/18 this has increased the volume of work in assessing claims, as we receive notification of changes of Universal Credit awards.
- 5.5 **Equality/Human Rights** –

Members are advised to consider the full Equality Impact Assessment which is available at [http://vmwinsqld/equalityisalive/Menu.aspx?report\\_number=FIN/EIA00014/2015](http://vmwinsqld/equalityisalive/Menu.aspx?report_number=FIN/EIA00014/2015). Members of the public can request a copy of the full Equality Impact Assessment from the Contact Officer named in the header box of this report.

A summary of the Equality Impact Assessment is attached as Appendix 1.

- 5.6 **Risks** – The Council needs to manage the cost of the scheme within the budget provided.

## 6. CONSULTATION

- 6.1 The Prescribed Requirement Regulations indicate prior to making a CTRS scheme, the authority must publish a draft scheme in such manner as it thinks fit, and consult any persons are likely to have an interest in the operation of its scheme. The Council has undertaken a short consultation regarding the discretions currently provided in the CTRS scheme. Any responses will be reported to the meeting following the consultation closure on 9 December 2018.

## 7. ADOPTION OF SCHEME

7.1 Unless there are significant objections raised in the Council's consultation exercise in relation to the discretions allowed in the scheme, together with the existing operating arrangements, it is recommended that the approach to the available discretions contained within the Prescribed Requirement Regulations should be as follows:

<p><b>Discretionary Parts of the Prescribed Requirement Regulations</b></p> <p><b>Part 5 – Other Matters that must be included in an authority's scheme</b></p>	<p><b>Prescribed Requirement Regulations</b></p> <p><b>(Minimum Requirement)</b></p>	<p><b>Recommended Discretion to be adopted</b></p>
<p>Ability to increase the standard extended reduction period of 4 weeks given to applicants where they have previously been receiving a council tax reduction that is to end, as they have ceased receiving qualifying benefits as a result of returning to work.</p> <p>Regulation 30 (3) and Regulation 31 (3), paragraph 33 Schedule 1 and paragraphs (35) and (40) Schedule 6</p>	<p>4 Weeks</p>	<p><u>Non Pensioners:</u></p> <p>The standard period of 4 weeks specified in paragraphs (35) and (40) Schedule 6 will apply, and</p> <p><u>Pensioners:</u></p> <p>The standard period of 4 weeks specified in paragraph (33) Schedule 1 will apply</p>
<p>Ability to backdate an application for Council Tax Reduction with regard to late claims prior to the standard period of 3 months before the claim is made</p> <p>Regulation 32 (4) and Paragraphs (3) and (4) of Schedule 13</p>	<p>3 Months</p>	<p><u>Non Pensioners:</u></p> <p>The standard period of 3 months specified in paragraph (4) Schedule 13 will apply</p> <p><u>Pensioners:</u></p> <p>The standard period of 3 months specified in paragraph (3) Schedule 13 will apply</p>

<p align="center"><b>Discretionary Parts of the Prescribed Requirement Regulations</b></p> <p align="center"><b>Part 5 – Other Matters that must be included in an authority’s scheme</b></p>	<p align="center"><b>Prescribed Requirement Regulations</b></p> <p align="center"><b>(Minimum Requirement)</b></p>	<p align="center"><b>Recommended Discretion to be adopted</b></p>
<p>Ability to disregard more than the statutory weekly £10 of income received in respect of War Disablement Pensions and War Widows Pensions</p>	<p align="center">£10</p>	<p><u>Non Pensioners:</u></p> <p>The total value of any pension specified in paragraph 20(a) and 20(b) Schedule 9 will be disregarded</p> <p><u>Pensioners:</u></p> <p>The total value of any pension specified in paragraph 1(a) and 1(b) Schedule 4 will be disregarded</p>

7.2 It should be noted that there are no additional funds available from Welsh Government to fund the discretionary elements of the scheme. The estimated cost of funding the discretionary disregard of War Disablement and War Widows Pensions when assessing entitlement to Council Tax Reduction Scheme for 2019/20 is estimated at £20,000.

<b>BACKGROUND PAPERS</b>	<b>LOCATION</b>	<b>WEBSITE INFO.</b>
<p>Default &amp; Prescribed Scheme Regulations</p>	<p>Legislation website which provides a link to the CTRS Regulations</p>	<p><a href="http://www.legislation.gov.uk/wsi/2014/66/pdfs/wsi_20140066_mi.pdf">http://www.legislation.gov.uk/wsi/2014/66/pdfs/wsi_20140066_mi.pdf</a></p>