

County Council

13th January 2021

Subject: Council Tax Reduction Scheme 2021/22

Purpose: This report seeks formal adoption of the Council Tax Reduction scheme (which replaced Council Tax Benefit in April 2013) for 2021/22

Recommendations / key decisions required:

It is recommended that for 2021/22 Council

1. Formally adopts the standard all-Wales Council Tax Reduction scheme provided for in the
 - a. Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013, and
2. Implements the annual up-rating figures (used in entitlement calculations) and other technical amendments, included in the Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2021, due to come into effect January 2021 and these Regulations apply in relation to a council tax reduction scheme made for the financial year beginning on 1 April 2021.
and
3. Continues to exercise its discretion with regard to the limited discretionary elements of the prescribed scheme as outlined in the Executive Summary.

Reasons:

- a) Welsh Government has made regulations that retain the 2013/14 Council Tax Reduction scheme (with limited amendments) for 2014/15 and subsequent years.
- b) There is an obligation upon authorities to formally (re-)adopt a Council Tax Reduction scheme by 31st January each year otherwise the “Default Scheme” will apply which means Council will be unable to exercise its discretion with regard to the limited discretionary elements in the prescribed scheme.
- c) If the Council wishes to exercise its powers in relation to the limited areas of discretion available to it, it is required to do so as part of the formal scheme adoption process.

Relevant scrutiny committee to be consulted NO

Exec. Board Decision Required NO

Council Decision Required YES

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER

Cllr David Jenkins

EBM for Corporate Resources

<p>Directorate: Corporate Resources</p> <p>Name of Head of Service: Helen Pugh</p> <p>Report Author: Ann Thomas</p>	<p>Designations:</p> <p>Head of Revenue and Financial Compliance</p> <p>Revenue Services Manager</p>	<p>Tel & Email addresses:</p> <p><u>HLPugh@Carmarthenshire.gov.uk</u> 01267 246223</p> <p><u>AnThomas@carmarthesnhire.gov.uk</u> 015540742126</p>
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EXECUTIVE SUMMARY

County Council 13th January 2021

Council Tax Reduction Scheme

1. As part of the Welfare Reforms introduced in recent years the former Council Tax Benefit scheme (CTB) was abolished with effect from April 2013. In its place is a localised Council Tax Reduction (CTR) scheme which in Wales has been devolved to Welsh Government, although with significantly less funding than the cost of the former CTB scheme.
2. The standard scheme introduced by Welsh Government for 2013/14 and (with minor amendments) subsequent years, is a uniform all-Wales scheme, albeit with limited areas of local discretion available to authorities.
3. Despite being an all-Wales scheme, individual Councils are required by the Prescribed Requirements Regulations to formally adopt a Council Tax Reduction Scheme by 31st January each year.
4. The limited areas of local discretion, and the policy adopted by Council in respect of those discretions, are shown below for information. There is no recommendation for change:

Discretion: to disregard part or the whole amount of War Disablement pensions and War Widows Pensions when calculating income.

Policy: The Council exercises its discretion and fully disregards War Disablement pensions, War Widows Pensions and analogous payments, when calculating income for the purposes of assessing entitlement to Council Tax Reduction.

Discretion: The ability to increase the standard extended payment period of 4 weeks given to people after they return to work, when they have been in receipt of a relevant qualifying benefit.

Policy: The Council does not exercise its discretion in relation to extended payments and therefore continues to adopt the 4 week period within the standard scheme.

Discretion: The ability to backdate the application of Council Tax Support awards for working age and/or pension age, customers beyond a standard period of 3 months prior to the claim.

Policy: The Council does not exercise its discretion in relation to backdating applications and therefore continues to adopt the 3 month maximum period within the standard scheme.

5. Apart from the normal annual up-rating of certain financial figures used for assessing individual entitlement and some technical adjustments (as is being provided for in ***The Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2020***) the scheme will be materially unchanged for 2021/22

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: **Chris Moore**

Director of Corporate Resources

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
YES	YES	YES	NONE	NONE	NONE	NONE

1. Policy, Crime & Disorder and Equalities

The Council Tax Reduction scheme retained for 2014/15 and subsequent years will continue to assess claimants' entitlement on their full Council Tax liability, as happened under the 2013/14 scheme and the former UK-wide Council Tax Benefit scheme.

A local equalities impact assessment was undertaken by the Council in anticipation of the original draft 2013/14 scheme which if implemented, would have reduced all claimants' entitlement. In the event the final 2013/14 scheme was more generous with claimants' entitlement being based on the full charge as will be the case for subsequent years, unless changed. It has not therefore been considered necessary to undertake a further EIA.

There are no proposed material changes to the scheme other than the normal annual up-rating of the financial figures used to assess applicant's entitlement, and some technical adjustments. Council has no power to vary these.

2. Legal

Under the Prescribed Requirements Regulations the Council is obliged to make a Council Tax Reduction Scheme each year.

The legislation provides for a default scheme to apply in the absence of the Council making a 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.

The National Assembly for Wales on the 26th November 2013 approved the Regulations governing the operation of Council Tax Reduction Schemes in Wales for 2014/15 and subsequent years.

The Council Tax Reduction Schemes amending Regulations for 2021/22 have been laid on 14th December 2020 and are scheduled for debate and approval by Welsh Government in January 2021. They will up-rate figures contained in the main regulations that are used to calculate a claimant's entitlement to a reduction under a council tax reduction scheme and introduce further technical / procedural amendments. Council has no power to vary these.

3. Finance

The scheme for 2021/22 continues to have financial implications for authorities.

The former Council Tax Benefit system was fully funded by the Westminster Government however less funding was given to Welsh Government with regard to the replacement scheme.

The initial funding distributed to Councils by Welsh Government has not increased since the new scheme was introduced in 2013/14. Accordingly individual authorities must make up on-going shortfalls due to higher expenditure as a result of any additional caseload and/or higher Council Tax levels.

The Council's proposed budget provision for 2021/22 is £16,945,056

The additional cost to the Council to continue exercising its discretionary powers and disregarding War Widow and War Disablement Pensions (and other analogous payments) is estimated as £36k.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: **Chris Moore** **Director of Corporate Services**

1. Scrutiny Committee N/A

2. Local Member(s) N/A

3. Community / Town Council N/A

4. Relevant Partners N/A

5. Staff Side Representatives and other Organisations

As there are no proposed changes to the scheme other than the normal annual up-rating figures over which Council has no jurisdiction, no public consultation exercise has been undertaken.

**EXECUTIVE BOARD PORTFOLIO
HOLDER(S) AWARE/CONSULTED**

Yes

Section 100D Local Government Act, 1972 – Access to Information

Title of Document	File Ref No.	Locations that the papers are available for public inspection
The Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013	N/A	CFP - Council Tax Reduction folder http://www.legislation.gov.uk/all?title=The%20Council%20Tax%20Reduction%20Schemes%20and%20Prescribed%20Requirements%20%28Wales%29%20Regulations%202013
Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2014	N/A	CFP - Council Tax Reduction folder http://www.legislation.gov.uk/wsi/2014/66/contents/made
Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2021		https://business.senedd.wales/mglIssueHistoryHome.aspx?Ild=34956 [laid before the National Assembly for Wales on 14 th December 2020: