

COUNTY COUNCIL

24TH JANUARY 2024

COUNCIL TAX REDUCTION SCHEME 2024/25

Purpose:

This report seeks formal adoption of the Council Tax Reduction scheme (which replaced Council Tax Benefit in April 2013) for 2024/25

The scheme can be approved subject to the regulations being approved and coming into force.

The draft regulations are not expected to change and will be the version provided for the Senedd debate on the 16th January 2024 which if approved would come into force on 19th January 2024.

Cabinet Recommendations:-

“Subject to the regulations being approved and coming into force on 19th January, 2024 it was UNANIMOUSLY RESOLVED TO RECOMMEND TO COUNCIL

- 1. that the standard all-Wales Council Tax Reduction scheme provided for in the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 be formally adopted;**
- 2. to implement 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) (Amendment) (Wales) Regulations 2024 due to come into effect 19th January 2024 and these Regulations be applied in relation to a council tax reduction scheme made for the financial year beginning on 1st April 2024;**
- 3. to continue to exercise its discretion with regard to the limited discretionary elements of the prescribed scheme as outlined in the Executive Summary to the report.”**

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.

| | |
|---------------------------|-------------------------------------|
| Cabinet Decision Required | YES |
| Council Decision Required | YES - 19 th January 2024 |

CABINET MEMBER PORTFOLIO HOLDER

Cllr Alun Lenny, Cabinet Member for Corporate Resources

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

**EXECUTIVE SUMMARY
COUNTY COUNCIL
24TH JANUARY 2024**

COUNCIL TAX REDUCTION SCHEME 2024/25

- 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.
- 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.
- 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.
- 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.

Discretion: The ability to provide more than the minimum information prescribed as part of the notifications of decisions procedures.

Policy: The Council does not exercise its discretion in relation to the provision of additional information and continues to provide the information prescribed as part of the notifications decisions procedures.

- The scheme will be materially unchanged for 2024/25 however, in addition to 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) (Amendment) (Wales) Regulations 2024***), the statutory instrument makes a number of other amendments as follows;
 - Widowed Parents Allowance and Bereavement Support back payments
 - The proposed amendment to the 2013 CTRS Regulations will ensure no applicant living in Wales is negatively impacted because they have received a Widowed Parents Allowance (WPA) back payment or a retrospective Bereavement Support Payment (BSP).
 - The amendment makes provision to disregard certain payments received from the calculation of an applicant's capital under the scheme.
 - The amendment proposes that any backdated BSP award would be aligned with the existing provision for BSP awards and disregarded for a period of 12 months. Any WPA back payments will continue to be disregarded from a person's capital.
 - Post Office Compensation payments
 - The UK Government has announced funding to enable the Post Office to deliver compensation schemes and arrangements for various cohorts of postmasters. These include the Horizon Shortfall Scheme, compensation arrangements for postmasters whose convictions were overturned and a compensation scheme for postmasters who did not receive remuneration during a suspension period.
 - An amendment will ensure no applicant living in Wales is negatively impacted because they receive any compensation or support payment made in connection with the failings of the Post Office Horizon system.
 - The amendment makes provision to disregard any compensation or support payment received from the calculation of an applicant's capital. The amendment also applies to a non dependant's deduction under the scheme.
 - The Vaccine Damage Payment scheme
 - The Vaccine Damage Payment Scheme (VDPS) incorporated COVID-19 from December 2020, and the scheme is now processing these claims. The majority of VDPS awards are already disregarded relating to compensation for personal injury. However, this does not currently apply to the partners of vaccinated individuals who receive a payment derived from a VDPS award.
 - The proposed amendment to the 2013 CTRS Regulations will ensure that no applicant living in Wales is negatively impacted because they receive a payment under the Vaccine Damage Payments Act 1979 in respect of a partner.
 - The amendment makes provision to disregard a payment received from the calculation of an applicant's capital under the scheme.

- The Infected Blood Inquiry

- The Infected Blood Inquiry published its first interim report in July 2022: this made a number of recommendations for a framework for compensation and redress for the victims of infected blood. The report recommended that interim compensation payments of £100,000 be made to infected persons and bereaved partners who registered with a UK infected blood support scheme.
- Where an infected person or their bereaved partner died before the interim payment could be made, the Government agreed that the interim payment of £100,000 would be made to that person's estate.
- An amendment to the 2013 CTRS Regulations will ensure that no applicant living in Wales is negatively impacted because they receive an interim infected blood compensation payment from their deceased parent's estate.
- The amendment makes provision to disregard a payment received from the calculation of an applicant's capital under the scheme.

- Minor technical and consequential amendments

- Some further minor technical amendments are proposed to the 2013 CTRS Regulations to align provisions in Wales with England and housing benefit provisions. These ensure an applicant who is a pensioner and responsible for a young person who is in receipt of an Armed Forces Independence Payment is taken into account when calculating eligibility.
- The amendment also ensures that the list of matters which must be disregarded in relation to non-dependant deductions in relation to working-age people also applies to pensioners.
- A consequential amendment will also reflect changes to the legislative landscape as a result of The Tertiary Education and Research (Wales) Act 2022 which becomes operational from April 2024.
- The amendment ensures that where access funds are paid to students on a discretionary basis by the Commission for Tertiary Education and Research, such funds are taken into account when determining eligibility for Council Tax Reduction.

| | |
|----------------------------------|------------|
| 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 Services

| | | | | | | |
|---|------------|------------|-------------|------------------------|-----------------------|-----------------|
| 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.

The only 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 are the following:

- Certain backdated Bereavement Support Payment award would be aligned with the existing provision for Bereavement Support Payment awards and disregarded for a period of 12 months. Any Widowed Parents Allowance back payments will continue to be disregarded from a person's capital.
- Any Post Office compensation or support payment received will be disregarded from the calculation of an applicant's capital and a non dependant deduction.
- Payments under the Vaccine Damage Payments Scheme will be disregarded from the calculation of an applicant's capital.
- The amendment makes provision to disregard a payment received from the Infected Blood Inquiry from the calculation of an applicant's capital.
- Some further minor technical amendments are proposed to the 2013 CTRS Regulations to align provisions in Wales with England and housing benefit provisions. These ensure an applicant who is a pensioner and responsible for a young person who is in receipt of an Armed Forces Independence Payment is taken into account when calculating eligibility. The amendment also ensures that the list of matters which must be disregarded in relation to non-dependant deductions in relation to working-age people also applies to pensioners.

- A consequential amendment will also reflect changes to the legislative landscape as a result of The Tertiary Education and Research (Wales) Act 2022 which becomes operational from April 2024
- The amendment ensures that where access funds are paid to students on a discretionary basis by the Commission for Tertiary Education and Research, such funds are taken into account when determining eligibility for Council Tax Reduction.

Council has no power to vary these amendments.

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 2024/25 have been laid on 5th December 2023 and are scheduled for debate on 16th January 2024 and if approved by Welsh Government will come into force on 19th January 2024. 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 2024/25 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 provisional budget provision for 2024/25 is £18 936 050

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 £14k.

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 those over which Council has no jurisdiction, no public consultation exercise has been undertaken.

There is no requirement to consult and no formal consultation has been undertaken in respect of statutory instrument in ***The Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Amendment) (Wales) Regulations 2024***.

**CABINET MEMBER PORTFOLIO
HOLDER AWARE/CONSULTED**

Yes

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

| Title of Document | Locations that the papers are available for public inspection |
|---|---|
| The Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 | One Drive - Council Tax Reduction folder https://carmarthenshire.sharepoint.com/sites/SP_CFPO_RB/Benefits/Forms/AllItems.aspx?id=%2Fsites%2FSP%5FCFPO%5FRB%2FBenefits%2FCouncil%20Tax%20Reduction%20Scheme%202024%2D25&viewid=0bd8faa6%2D931d%2D4a3b%2Db433%2D3f77bbf1e75e |
| Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2014 | 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 2023 | <p><u>SL(6)425 - Rheoliadau Cynlluniau Gostyngiadau'r Dreth Gyngor (Gofynion Rhagnodedig a'r Cynllun Diofyn) (Diwygio) (Cymru) 2024</u></p> <p><u>SL(6)425 - The Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Amendment) (Wales) Regulations 2024 (senedd.wales)</u></p> <p>[laid before the National Assembly for Wales on 5th December 2023.]</p> |