

**Subject: COUNCIL TAX REDUCTION SCHEME 2020/21**

**Meeting: Council**

**Date: 16<sup>th</sup> January 2020**

**Divisions/Wards Affected: All**

**1. PURPOSE:**

1.1 The purpose of this report is to:

- present arrangements for the implementation of the Council Tax Reduction Scheme and to approve it for 2020/21
- affirm that, in the absence of any revisions or amendments, annual uprating amendments will be carried out each year without a requirement to adopt the whole Council Tax Reduction Scheme

**2. RECOMMENDATIONS:**

- 2.1 To note the making of the Council Tax Reduction Scheme and Prescribed Requirements (Wales) Regulations ("the Prescribed Requirements Regulations") 2013 by the Welsh Government on 26 November 2013.
- 2.2 To adopt the provisions within the Regulations above ("the Prescribed Requirements Regulations") and any 'annual uprating regulations' in respect of its Scheme for the financial year 2020/21 including the discretionary elements previously approved as the Council's local scheme from 1<sup>st</sup> April 2020.

**3. KEY ISSUES:**

- 3.1 On 17<sup>th</sup> January 2019 Council adopted the Council Tax Reduction Scheme for 2019/20, in accordance with the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013.
- 3.2 The Regulations approved by the Assembly are available as follows:

The Default Scheme

<http://www.legislation.gov.uk/wsi/2013/3035/contents/made>

The Prescribed Scheme

<http://www.legislation.gov.uk/wsi/2013/3029/contents/made>

The National Assembly approved the Amendment Regulations on 7<sup>th</sup> January 2020 incorporating the uprated benefits from April 2020.

<http://www.assembly.wales/laid%20documents/sub-ld11899/sub-ld11899-e.pdf>

- 3.3 A failure to adopt a 'local' scheme by 31 January 2020 will result in the Default Scheme being imposed on the Council.
- 3.4 The Welsh Government's regulations for 2020/21 do not contain any significant changes for recipients of Council Tax reduction. Claimants can receive a reduction up to 100% of their Council Tax bill dependent upon their income and household circumstances.
- 3.5 Annual Uprating regulations to increase benefits and personal allowances from April 2020 within the Council Tax Reduction Scheme has been considered by a plenary session of the Senedd of the National Assembly for Wales on 7<sup>th</sup> January 2020.

#### **4. Background**

- 4.1 It was reported to Council on 28<sup>th</sup> January 2013 that the Welfare Reform Act 2013 included provisions to abolish Council Tax Benefit on 31 March 2013. From 1 April 2013, the responsibility for arranging support towards paying Council Tax and the associated funding transferred from the Department for Work and Pensions (DWP) to local authorities in England, and to the Scottish and Welsh Governments. The UK Government's policy intention was to reduce expenditure on Council Tax and therefore to implement a 10 per cent funding cut.
- 4.2 The report to Council on 28<sup>th</sup> January 2013 referred to the Council Tax Reduction Scheme Regulations 2012 and the amending regulations 2013. Those regulations were for implementation during the 2013/14 financial year only and Council resolved to adopt a new scheme for subsequent years in accordance with new regulations approved by the Welsh Government.
- 4.3 The regulations for Council Tax Reduction include provision for support up to 100% of council tax. As noted when presenting this issue in January, the regulations control the implementation of reduction schemes across the whole of Wales and are designed to ensure that each local authority consistently provides support for Welsh taxpayers.

#### **5. The Reduction Scheme and discretionary areas**

- 5.1 Although a national scheme has been approved, 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. Council approved the discretionary areas to be applied (listed in 5.2) following public consultation. It is not proposed to change them in any way therefore no further consultation is required at this stage.
- 5.2 It is recommended to adopt the Scheme in the Prescribed Requirement Regulations (as per paragraph 3.3 the regulations can be accessed via the link: - <http://www.assemblywales.org/bus-home/bus-business-fourth-assembly-laid-docs.htm?act=dis&id=251458&ds=12/2013>) and to exercise the previously approved discretions as follows:
- 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 - it is not recommended to increase the standard extended reduction period;
  - Discretion to increase the amount of War Disablement Pensions and War Widows Pensions (including Armed Forces Independent Payments and Guaranteed Income Payment) which is to be disregarded when calculating income of the claimant - it is recommended to disregard the whole amount of War Disablement Pensions and War Widows Pensions;

- 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 - it is not recommended to increase the backdated period;
- To provide above the minimum level of information to customers in order to ensure they are appropriately notified of their award in accordance with legislation - it is recommended that we maintain the current standard provision.

Council approved these discretions on 17<sup>th</sup> January 2019.

- 5.3 There are no additional monies available from the Welsh Government to fund discretionary elements but they are allowed for within our existing budget.
- 5.4 Changes to pensions, benefits and allowances normally take effect every April and sometimes during the year. The scheme has to reflect the changes to benefits in order to adjust calculations of entitlement. This is part of normal Benefits administration. We are advised that the Council need to approve the annual uprating regulations each year without formal adoption of the whole scheme.
- 5.5 As the uprating of benefits is not an area of discretion the Council is not able to consult on it.

## **6. EQUALITY AND FUTURE GENERATIONS EVALUATION:**

- 6.1 There are no implications for sustainable development.
- 6.2 The scheme to be applied for 2020/21 does not contain any significant changes from the scheme that is currently operational.
- 6.3 The Welsh Government has undertaken a detailed 'regulatory' impact assessment, which includes equality impact assessment, and we understand that the findings reported were in line with their expectations.
- 6.4 Our Sustainability Community Officer has confirmed that under these circumstances there is no requirement to complete a Future Generations Evaluation.

## **7. OPTIONS APPRAISAL**

This is not applicable as there are no changes to the scheme that is currently in place. The report has been presented as the uprating regulations are effectively amendments to the main scheme, for which we need to obtain overall approval.

## **8. EVALUATION CRITERIA**

The scheme is largely prescribed by Welsh Government. Previous annual reports, from 2013 to 2019, have reaffirmed the minimal discretions that the Authority can apply. These discretions have been found to be resilient and fair.

## **9. REASONS**

- 9.1 To agree the council tax reduction scheme for the forthcoming financial year as required by legislation.
- 9.2 To affirm the annual uprating prescribed by the Welsh Government

## **10. RESOURCE IMPLICATIONS**

- 10.1 From 2014/15 onwards the Council Tax Reduction Scheme was funded through RSG. The Council therefore needs to manage the cost of the Scheme within its annual budget.
- 10.2 Any additional costs for growth in caseload and/or increases in entitlement attributable to a rise in the overall level of Council Tax have to be managed and are built into our budget proposals for 2020/21.
- 10.3 The provisional budget allocation, for 2020/21, of £6,883,789 is based on a 4.95% increase in Council Tax. Any subsequent changes in the council tax increase will be reflected in the final budget proposal report.

**11. CONSULTEES:**

Cabinet  
Strategic Leadership Team  
Chief Officer for Resources  
Head of Legal

**12. BACKGROUND PAPERS:**

None

**13. AUTHORS:**

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