

Subject: COUNCIL TAX REDUCTION SCHEME 2024/25

Meeting: Council

Date: 18th January 2024

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 2024/25.
- agree to adopt the amendments to the Regulations, proposed by Welsh Government, as detailed in point 3.7.
- affirm that 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 2024/25 including the discretionary elements previously approved as the Council's local scheme from 1st April 2023.

3. KEY ISSUES:

3.1 On 17th 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 Senedd approved the Amendment Regulations incorporating the uprated benefits from April 2024 at a plenary session on 16th January 2024. The draft regulations are here:

[SL\(6\)425 - The Council Tax Reduction Schemes \(Prescribed Requirements and Default Scheme\) \(Amendment\) \(Wales\) Regulations 2024](#)

- 3.3 A failure to adopt a 'local' scheme by 31 January 2024 will result in the Default Scheme being imposed on the Council.
- 3.4 The Welsh Government's regulations for 2024/25 ensure claimants can continue to 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 2024 within the Council Tax Reduction Scheme were considered by a plenary session of the Senedd on 16th January 2024.
- 3.6 In addition to the annual uprating of allowances, there are a couple of other amendments to the 2013 CTRS Regulations. These make provision for the treatment of some other types of payments and ensure the 2013 Regulations remain up to date and fit for purpose.
- 3.7 These amendments allow for the following:

Capital Disregards

To ensure that the following payments are disregarded as capital:

- Widowed Parents Allowance back payments.
- Bereavement Support back payments.
- Post Office Compensation payments (Horizon Shortfall Scheme)
- The Vaccine Damage Payment Scheme – payments made in respect of a partner under the Vaccine Damage Payments Act 1979
- The Infected Blood Inquiry – payments made to infected persons, bereaved partners and beneficiaries of a deceased parent's estate.

All payments are to be disregarded indefinitely, except for Bereavement Support back payments which are subject to a 12 month disregard.

Armed Forces Independence Payment

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 considered when calculating eligibility. The amendment also ensures that the list of matters which must be disregarded in relation to non-dependent deductions in relation to working age people also applies to pensioners.

4. Background

- 4.1 It was reported to Council on 28th January 2013 that the Welfare Reform Act 2013 included provisions to abolish Council Tax Benefit on 31 March 2013. From 1st 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 28th 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 below 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 noted in paragraph 3.2. 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 because 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 regarding 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 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 17th 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 (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING)

- 6.1 There are no implications for sustainable development.
- 6.2 The scheme to be applied for 2024/25 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 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 the Revenue Support Grant (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 2024/25.
- 10.3 Caseload has now returned to pre pandemic levels with current data indicating that there are approximately 5,550 active CTRS claims.
- 10.4 The provisional budget allocation, for 2024/25, of £8,347,719 is based on a 7% increase in Council Tax which is currently being used for budget modelling purposes. 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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