



COUNCIL – 28TH JANUARY 2014

SUBJECT: COUNCIL TAX REDUCTION SCHEME 2014/15

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND S151 OFFICER

1. PURPOSE OF REPORT

1.1 To approve a Council Tax Reduction Scheme to commence 1st April 2014.

2. SUMMARY

2.1 On 29th January 2013, the full Council adopted the Council Tax Reduction Scheme for 2013/14 in accordance with the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2012. The Welsh Government put a sunset clause in those Regulations which means that they become invalid after 31/03/14. A scheme now needs to be approved by Council for 2014/15.

3. LINKS TO STRATEGY

3.1 The payment of Council Tax Benefit is a key element of the Council's anti-poverty strategy and a significant source of funding. Tackling poverty is the over-arching theme of "Caerphilly Delivers", the LSB single integrated plan.

4. THE REPORT

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. As a result of this work, a Technical consultation was undertaken during the period 23rd August 2013 to 20 September 2013, which outlined the proposed changes outlined by Welsh Government. The key points being:-

- To retain the national framework introduced from April 2013
- Protect entitlements for applicants at current levels
- Enable the same elements of local discretion provided these are funded locally

4.2 The National Assembly for Wales on 26th November 2013 approved the 'Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013¹ and the 'Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2013². These regulations prescribe the main features of the Scheme to be adopted by all councils in Wales from 01 April 2014.

- 4.3 On 14 January 2014 The Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2014 ('the Prescribed Requirements Regulations (Amendment)')³ were also approved. This amendment amends the applicable amounts in line with housing benefit applicable amounts from 1st April 2014.
- 4.4 The Welsh Government's regulations for 2014/15 do not contain any significant changes from the claimants' perspective. Qualifying taxpayers may continue to receive a reduction up to 100% of their Council Tax bill (where in receipt of certain benefits).
- 4.5 Failure to adopt a 'local' scheme by 31st January 2014 will result in the Default Scheme being imposed on the Council.
- 4.6 The regulations are substantially the same as the previous year's, with some minor administrative improvements.
- 4.7 Within the Prescribed Requirements Regulations, as currently, 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 payment period of 4 weeks given to people after they return to work, when they have been in receipt of a relevant qualifying benefit for at least 26 weeks.
- Discretion to disregard part or the whole amount of War Disablement pensions and War Widows Pensions when calculating income.
- The ability to backdate the application of Council Tax Reduction awards for working age customers more than the standard period of 3 months prior to the claim.
- 4.8 Welsh Government have commissioned a review looking at the options for a longer term solution to be implemented for 2015/16 which will provide an equitable and sustainable scheme within the available funding.
- 4.9 Welsh Government is undertaking 3 month consultation from 12th December 2013⁴ on the future of the scheme.

5. EQUALITIES IMPLICATIONS

- 5.1 The scheme for 2014/15 does not contain any significant changes from 2013/14 and the Council did undertake an equality impact assessment in January 2013, so the council has not undertaken any further equality assessment.
- 5.2 The Welsh Government has compiled a regulatory impact assessment which includes an equality impact assessment as part of the regulatory process.
- 5.3 The Council has undertaken a consultation exercise in the limited time available, which was undertaken in accordance with the Council's Equalities Consultation and Monitoring guidance document.

6. FINANCIAL IMPLICATIONS

- 6.1 The current budget is £13.657 million The Council needs to manage the cost of the new scheme within the fixed budget provided. The amount of support does not reflect:-
- Potential increases in demand through increases in the number of claimants. However this is not considered a serious risk for this Authority since the numbers of claimants have not increased significantly over the last few years.

- Potential increases in the level of awards.
- Any increase in Council Tax levels that may be applied. The Cabinet of 11th December agreed that CTRS funding is increased by the same percentage as the council tax for 2014/15. This will be funded by setting aside funding from any anticipated council tax income increase.

6.2 The estimated cost of implementing the discretionary items as recommended below is £84k. This can be funded from within the current budget provision above and the CTRS element of the war widow concession budget provision of £19.5k.

7. PERSONNEL IMPLICATIONS

7.1 There are no direct staffing implications. However, it will be necessary to monitor the level of resources needed for claimant support and be able to react in both an innovative, timely and effective manner, especially as there is still some uncertainty in respect of arrangements for future years for both CTRS and housing benefits

8. CONSULTATIONS

8.1 There was a thorough and inclusive consultation exercise in December 2012/January 2013 for the 2013/14 scheme and it should be noted that the scheme is basically unchanged.

8.2 Bearing in mind the above, the Council has undertaken a web based consultation, with paper consultation available if requested, from 9 December to 3 January.

8.3 In total 41 responses were received.

8.4 The summary of responses is included in Appendix 1.

8.5 Welsh Government has undertaken consultation on the technical regulations. It previously undertook consultation on providing support for council tax between February and April 2012 and a further technical consultation was undertaken between 23rd August and 20th September 2013 on the Prescribed Requirements Scheme regulations, in respect of 2014/15.

8.6 A letter from the Royal British Legion was also submitted in respect of the discretion available to councils to disregard War Disablement Pension, War Widow's Pension and Armed Forces Compensation Scheme income (Appendix 2).

8.7 Officers and Members as detailed below have been consulted on this report and their views have been reflected within the report.

9. RECOMMENDATIONS

9.1 It is recommended that Members:-

9.1.1 Note the making of the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 ("the Prescribed Requirements Regulations") by the National Assembly for Wales on 26th November 2013 as amended on the 14th January 2014;

9.1.2 Note the outcome of the consultation exercise undertaken by the Council on the introduction of the Council Tax Reduction Scheme.

- 9.1.3 Adopt the provisions of 'the Prescribed Requirements Regulations', as amended by the 'the Prescribed Requirements Regulations (Amendment)', as the Council's Council Tax Reduction Scheme for 2014/15, subject to the local discretions that the Council is able to exercise as set out below.
- 9.1.4 Taking into account the responses to the consultation exercise, together with existing arrangements, determine the following as local discretions as provided for within Part 5 of 'the Prescribed Requirements Regulations':-

Discretion	Recommended Discretion to be adopted
The ability to increase the standard extended reduction period of 4 weeks given to persons who have ceased to receive qualifying benefits 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;	<p><u>Pensioners</u> The standard period of 4 weeks specified in paragraph (33) Schedule 1 will apply, and</p> <p><u>Non- Pensioners:</u> The standard period of 4 weeks specified in paragraph (35) and (40) Schedule 6 will apply.</p>
The ability to backdate the application of Council Tax reduction for periods longer than the new standard period of 3 months before the claim is made;	<p><u>Pensioners:</u> The standard period of 3 months specified in paragraph (3) Schedule 13 will apply, and</p> <p><u>Non-Pensioners:</u> The standard period of 3 months specified in paragraph (4) Schedule 13 will apply.</p>
Discretion to disregard more than the statutory weekly amount of £10 of income received in respect of War Disablement Pensions and War Widow's Pensions (disregarded when calculating the income of the applicant);	<p><u>Pensioners:</u> The total value of any pension specified in paragraphs 1(a) and 1(b) Schedule 4 will be disregarded, and</p> <p><u>Non-Pensioners:</u> The total value of any pension specified in paragraphs 20(a) and 20(b) Schedule 9 will be disregarded.</p>
Discretion to provide more than the minimum information prescribed in the Prescribed Requirements Regulations when issuing notification of decisions of an award of Council Tax Reduction.	To supplement the minimum requirements specified in the Prescribed Requirements Regulations, where appropriate

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 The Council is obliged to approve a Council Tax Reduction Scheme under the Prescribed Requirements Regulations by 31st January 2014.

11. STATUTORY POWER

- 11.1 Local Government Act 1992 (Section 13A, Schedule 1B) (as inserted by the Local Government Finance Act 2012).

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Appendices:

Appendix 1 – Council Tax Reduction Scheme 2014-2015