

## ISLE OF ANGLESEY COUNTY COUNCIL

<b>Report to:</b>	<b>County Council</b>
<b>Date:</b>	<b>27 January 2014</b>
<b>Subject:</b>	<b>Council Tax Reduction Scheme</b>
<b>Lead Officer(s)</b>	<b>Clare Williams Head of Function (Resources)</b>
<b>Contact Officer</b>	<b>Geraint Jones Revenues and Benefits Manager (Ext. 2651)</b>
<b>Action :</b>	<b>To adopt the Council Tax Reduction Scheme</b>

### 1. Purpose of the report

- 1.1 The report explains the requirement to adopt a scheme by 31 January 2014.

### 2. Background Information

**2.1** The Council Tax Benefit Scheme was replaced from April 2013 with a Council Tax Reduction Scheme. Two main sets of regulations were made by Welsh Ministers – Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2012 and the Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2012 (“the 2012 Regulations”).

**2.2** The Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2012 contained a sunset clause. As a result of this clause, the 2012 Regulations only applied to the 2013/2014 financial year. This clause required the regulations to be reviewed and a new set brought forward by 1 January 2014. If new regulations were not brought forward by this date, there would be no provision for Council Tax Reduction Schemes to be implemented in Wales after 31 March 2014.

**2.3** Consequently, Welsh Ministers brought forward new Regulations which will govern the operation of Council Tax Reduction Schemes in Wales from 1 April 2014. One set places a duty on local authorities to introduce Council Tax Reduction Schemes in their area to apply from 1 April 2014 and prescribe what is to be included in a local scheme specifying areas where local discretion may apply. The other set of Regulations prescribed a “default” Council Tax Reduction Scheme which will take effect if a local authority does not adopt their own scheme. This Regulation will take effect if a local authority fails to make a local scheme by 31 January 2014.

**2.4** The approach adopted in the 2012 Regulations has been continued in the 2013 Regulations with a national framework of support being retained and the levels of entitlement for eligible applicants being protected at their current levels. The proposed changes to the 2012 Regulations are in line with the Welsh Government’s wider policy objectives. The additional changes made to the 2012 Regulations are:-

- Removal of the sunset clause thereby extending the application of the 2013 Regulations beyond the 2014 - 2015 financial year;
- Addresses minor technical amendments to bring into line with English Regulations;
- Includes amendments required for certain welfare reform changes e.g. Universal Credit and Armed Forces Independence Payment;

- Simplifications suggested by Local Government last year (but could not be incorporated within the timetable) to improve the process for applicants and reduce costs of administration;
  - Practical adjustments needed from operating the scheme since April 2013 e.g. amending provisions in respect of changes of circumstances; and
  - Responding to points raised as a result of the technical consultation.
- 2.5** On 27 November 2013, the Welsh Assembly approved two new sets of regulations: The Council Tax Reduction Schemes (Default Schemes) (Wales) Regulations 2013 ("the Default Scheme Regulations") and the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 ("the Prescribed Requirements Regulations"). These 2013 Regulations prescribe the main features of the Scheme to be adopted by all Councils in Wales for 2014 - 2015 onwards.
- 2.6** A further set of regulations to uprate the financial figure in line with the cost of living increases has been debated and approved by the Welsh Assembly on 14 January 2014 - the Council Tax Reduction Schemes (Prescribed Requirements and Default Schemes) (Wales) (Amendment) Regulations 2014. The Council's scheme allows for the uprated financial figures to be incorporated within the scheme recommended for adoption.
- 2.7** As with the 2012 Regulations, the approach to calculating the council tax reduction under the 2013 Regulations reflect the approach that was taken in calculating the former Council Tax Benefit. The Default Scheme Regulations set out the scheme that will apply in a Local Authority's area. The majority of the provisions within the Default Scheme Regulations mirror those by the Prescribed Requirements Regulations.
- 2.8** Similar to the 2012 Regulations, 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. These are:-
- 2.8.1** 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;
  - 2.8.2** Discretion to increase the amount of War Disablement Pensions and War Widows Pensions which is to be disregarded when calculating income of the claimant; and
  - 2.8.3** 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.
- 2.9** The Council is also obliged to publish its draft scheme and consult any persons it considers likely to have an interest in the operation of its scheme. Having made a scheme, the authority must publish its scheme in an appropriate manner. Because of the tight timescales between the making of the Prescribed Requirements Regulations and 31 January 2014 (by which date the scheme has to be adopted), consultation has been truncated to a period between 9 December 2013 and 10 January 2014.
- 2.10** The Welsh Government undertook a technical consultation between 23 August 2013 and 20 September 2013 on the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013.

### **3. Main Issues**

- 3.1** The Council for 2014/2015 is obliged to make a scheme under the requirements of the Prescribed Requirements Regulations notwithstanding the fact that a default scheme would come into effect even if the Council failed to make a scheme. The obligation is a statutory duty and applies even if the Council chose not to apply any of the discretions available to it.
- 3.2** The Council's recommended approach to the available local discretions is to continue to apply for the Council Tax Reduction Scheme 2014/2015 the same local discretion that it applied for the Council Tax Reduction Scheme 2013/2014:-
- The existing 4 week standard extended payment after people return to work remains unaltered with no local discretion being applied.
  - For War Pension and War Disablement pensions when calculating income the Council will continue to disregard income as it currently does for the current reduction scheme. The on-going annual cost to the Council for 2014/2015 is estimated to be approximately £8,000 per year.
  - That the maximum backdate available remains at the statutory 3 months for pensioner and working age claimants with no local discretion being applied.

As for 2013/2014, there is no additional money available from the Welsh Government to fund the discretionary elements.

- 3.3** The 2013 Regulations require the Authority for each financial year to consider whether to revise its scheme or to replace it with another scheme. The Authority must make any revision or replacement no later than 31 January in the financial year preceding the year they come into effect.
- 3.4** The function of making a scheme is not to be the responsibility of an executive of an authority under executive arrangements.

### **4. Financial Implications**

- 4.1** The financial implications have been outlined in the budget reports to the Executive. The estimated cost of the Council Tax Reduction Scheme for 2013/2014 is £5.29m. Applying an increase to Council Tax of 5% takes this to £5.56m. Therefore, the projected cost of the proposed scheme in 2014/2015 is between £5.51m and £5.61m, which is £350k to £460k, more than the grant of £5.15m. The main area of uncertainty is the case load. In recent years, benefit claimants case load has increased by up to 6% in any year (the average for the last five years being 3%). Whilst this rate has now stabilised, it is still reasonable to expect an increase in case load in the current economic circumstances. Each 1% increase is £53k.
- 4.2** A budget provision of £400k is proposed to meet this shortfall which will be monitored in budget monitoring reports to the Executive.

### **5. Legal Implications**

- 5.1** The Council is obliged to make a Council Tax Reduction Scheme under the Prescribed Requirements Regulations. Although 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.

## **6. Risk Implications**

- 6.1** The Council needs to manage the cost of the Council Tax Reduction Scheme within its budget. The amount of government support is limited to £5,154,000 for 2014/2015 and is provided on a fixed basis rather than the demand-led basis of support to council tax benefit.

## **7. Equalities Implications**

- 7.1** As mentioned earlier in paragraphs 2.4 and 2.5 of this report, the 2013 Regulations mirror the calculations of the 2012 Regulations in replicating for the Council Tax Reduction Scheme the approach that was taken in calculating the former Council Tax Benefit. The 2013 Regulations reaffirm that up to 100% Council Tax Reduction will apply.
- 7.2** The Council has undertaken a consultation exercise in the limited time available and that consultation assists the Council in satisfying the public sector equality duty in the Equality Act.
- 7.3** The Welsh Government has compiled an equalities impact assessment following its consultation for the 2012 Regulations. A local equalities impact assessment has been carried out on behalf of the Council in joint arrangements across Wales also with regard to the 2012 Regulations and a copy is available by application to the Finance Department.

## **Background Documents**

The Council Tax Reduction Scheme and Prescribed Requirements (Wales) Regulations 2013 No 3029 (W.301).

The Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2013 No 3035 (W.303).

The Council Tax Reduction Schemes (Prescribed Requirements and Default Schemes) (Wales) (Amendment) Regulations 2014.

Technical Consultation on Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 - 20 September 2013.

Welsh Government Response to the Technical Consultation on the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013.

## **Summary of main issues**

- 1.** Council Tax Benefit was replaced in April 2013 by a Council Tax Reduction Scheme for 2013/2014 only. An almost identical Council Tax Reduction Scheme will apply for 2014/2015 onwards.
- 2.** Welsh Government funding for the scheme is fixed, based on the cost of the previous Council Tax Benefit Scheme.
- 3.** The Welsh Government has made regulations to introduce a national Council Tax Reduction Scheme for 2014/2015. However, the obligation remains upon the Council to adopt a scheme for 2014/2015.
- 4.** The Council is required to adopt a Council Tax Reduction Scheme by 31 January 2014.
- 5.** A summary scheme is set out in Appendix A in this report. The costs of the scheme will exceed the Government's funding. The additional funding requirement is taken into account as part of the 2014/2015 budget.

## **Recommendation**

1. To note the making of The Council Tax Reduction Scheme and Prescribed Requirements (Wales) Regulations ("the Prescribed Requirements Regulations") by the Welsh Assembly on 27 November 2013 and the Council Tax Reduction Schemes (Prescribed Requirements and Default Schemes) (Wales) (Amendment) Regulations 2014 ("the Amending Regulation") by the Welsh Assembly on 14 January 2014.
2. To note the outcome of the consultation exercise undertaken by the Council on the introduction of the Council Tax Reduction Scheme outlined in Appendix B.
3. To adopt the Scheme as set out in Appendix A.
4. That delegated authority is given to the Head of Function (Resources) to amend the Local Council Tax Support Scheme 2014/2015 should this be required to take account of any amending regulations subsequently passed by the Welsh Assembly.



# **Isle of Anglesey County Council**

## **Council Tax Reduction Scheme 2014 - 2015** (and future years)

### **Prescribed Scheme for Pensioner and Non Pensioner Claimants**

## Introduction

Since 1 April 2013, Council Tax Benefit as a method of supporting low income households with their Council Tax, was abolished. It was replaced by a Council Tax Reduction Scheme.

On 19 December 2012 the Welsh Government made regulations to introduce a national scheme for Wales, "The Council Tax Reduction Scheme and Prescribed Requirements (Wales) Regulations 2012 No. 3144 (W.316)" (**Prescribed Regulations**) and "The Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2012 No. 3145 (W.317)" (**Default Regulations**). Further amending regulations were passed by the Welsh Government on 22 January 2013 "The Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme)(Wales)(Amendment) Regulations 2013 (**Amending Regulations**).

The Prescribed Regulations contained a sunset clause. As a result of this clause, the above mentioned regulations only applied to the 2013 - 2014 financial year. This clause required the regulations to be reviewed and a new set brought forward by 1 January 2014 by Welsh Ministers. If new regulations were not brought forward by this date, there would be no provision for Council Tax Reduction Schemes to be implemented in Wales after 31 March 2014.

On 27 November 2013, the Welsh Assembly approved two new sets of regulations: "The Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2013 (**the Default Scheme Regulations**)" and "The Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 (**the Prescribed Requirements Regulations**)". These can be accessed:-

### **Default Scheme Regulations**

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

### **Prescribed Requirements Regulations**

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

### **Amending Regulations**

On 14 January 2014, a further set of amending regulations to mainly update the financial figures in line with the cost of living increases and address a number of minor technical points identified during scrutiny of the 2013 Regulations were approved by the Welsh Assembly - The Council Tax Reduction Schemes (Prescribed Requirements and Default Schemes) (Wales) (Amendment) Regulations 2014 (**Amending Regulations**). These can be accessed:-

<http://www.legislation.gov.uk/wsi/2014/????/contents/made>

These regulations therefore prescribe the main features of the scheme to be adopted by all Councils in Wales. An obligation, therefore, remains upon the Isle of Anglesey County Council to adopt a scheme. The Isle of Anglesey County Council is required to adopt a Council Tax Reduction Scheme by 31 January 2014 for 2014 - 2015 onwards.

The Isle of Anglesey County Council's Local Council Tax Reduction Scheme will be based on the Welsh Government's Prescribed Requirements Regulations (as amended). These Prescribed Requirements Regulations also permit the Isle of Anglesey County Council to adopt a scheme which incorporates a limited range of discretionary elements to provide further support for Council Tax. Where the Isle of Anglesey County Council has adopted additional discretionary elements, these discretionary elements are set out within this document.

If the Isle of Anglesey County Council fails to make a scheme by 31 January 2014, then the default scheme shall apply under the provisions of the Default Scheme Regulations. The Isle of Anglesey County Council can, however, only apply discretion if it adopts its own scheme under the Prescribed Requirements Regulations.

The Welsh Government has advised that further minor amendments to technical regulations made last year, such as those relating to fraud investigation, will be brought forward between January and March 2014.



## **Local Council Tax Reduction Scheme Requirements**

The full Council of the Isle of Anglesey County Council approved its Local Council Tax Reduction Scheme on 27 January 2014 relating to the year beginning 1 April 2014 and also for future years. It specifies, in accordance with the Prescribed Requirements Regulations:-

1. Classes of persons who are entitled or not entitled to a reduction.
2. The reductions which persons in each class are to be entitled.
3. Scheme procedural requirements:-
  - the procedure by which a person may apply for a reduction under the scheme;
  - the procedure by which a person may appeal against a decision of an authority with respect to a person's entitlement to a reduction under the scheme or the amount of any reduction to which the person is entitled;
  - the procedure by which a person may apply to an authority for a reduction under section 13A(1)(c) of the Local Government Finance Act 1992.

## Isle of Anglesey County Council's Local Council Tax Reduction Scheme

The Isle of Anglesey County Council formally adopted its Local Council Tax Reduction Scheme based on requirements as detailed in the Welsh Government's "The Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 No.3029 (W.301) (**Prescribed Requirements Regulations**) and the Council Tax Reduction Schemes (Prescribed Requirements and Default Schemes) (Wales) (Amendment) Regulations 2014 (**Amending Regulations**). The Prescribed Requirements Regulations and Amending Regulation can be accessed at:-

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

<http://www.legislation.gov.uk/wsi/2014/????/contents/made>

In summary:-

### **Part 1 of the Prescribed Requirements Regulations:**

Contain introductory provisions and definitions of key words and phrases used in this scheme.

### **Part 2 of the Prescribed Requirements Regulations: scheme requirements in relation to billing authorities in Wales (as amended by Amending Regulations)**

What the scheme adopted by the Isle of Anglesey County Council must include - classes of persons, reductions and scheme procedural requirements.

### **Part 3 of the Prescribed Requirements Regulations: Classes of persons entitled to a reduction under this scheme (as amended by Amending Regulations)**

**Pensioners** who fall within Classes A to B.

**Non-pensioners** who fall within Classes C to D.

### **Part 4 of the Prescribed Requirements Regulations: Classes of persons who must not be included under this scheme (as amended by Amending Regulations)**

Classes of persons prescribed to be excluded from this scheme, including persons treated as not being in Great Britain and persons subject to immigration control.

Persons whose capital exceeds £16,000.

Persons who are absent for a period from a dwelling.

Persons who are students.

### **Part 5 and Schedules 1 to 5 of the Prescribed Requirements Regulations: matters that must be included in this scheme in relation to pensioners (as amended by Amending Regulations)**

Schedules 1 to 5 set out the rules relevant to determine the eligibility of pensioners for a reduction and the amount of reduction under this scheme and the amount of maximum Council Tax Reduction under this scheme. They also set out how income and capital for pensioners is treated in calculating eligibility for a reduction under this scheme.

**Part 5 and Schedules 6 to 10 of the Prescribed Requirements Regulations: matters that must be included in this scheme in relation to non-pensioners (as amended by Amending Regulations)**

Schedules 6 to 10 set out the rules relevant to determine the eligibility of non-pensioners for a reduction and the amount of reduction under this scheme and the amount of maximum Council Tax Reduction under this scheme. They also set out how income and capital for non-pensioners is treated in calculating eligibility for a reduction under this scheme, including in cases where a non-pensioner or partner has been awarded universal credit.

**Schedule 11 of the Prescribed Requirements Regulations (as amended by Amending Regulations)**

This provides for the application of this scheme to students.

**Part 5 and Schedules 12 to 14 of the Prescribed Requirements Regulations: matters that must be included in this scheme in respect of all applicants i.e. pensioner and non-pensioner (as amended by Amending Regulations)**

Schedule 12 concerns procedural matters that must be included in this scheme. It describes the procedure by which a person can apply for a reduction in Council Tax under this scheme. Appendix 1 of this scheme provides details of how a person can apply to the Isle of Anglesey County Council for a reduction in Council Tax.

Schedule 12 also describes how a person may make an appeal against certain decisions of the Isle of Anglesey County Council under this scheme.

As the Isle of Anglesey County Council uses electronic communication in connection with making an application and award of a reduction, Schedule 12 details matters that must be included under this scheme.

Schedules 13 and 14 describes who may make an application under this scheme, the date on which an application is made, backdating of applications for pensioners and non-pensioners, amendment and withdrawal of applications and evidence and information required with the application. Schedules 13 and 14 also provide the requirements under this scheme for the information required to be provided by the Isle of Anglesey County Council when notifying the applicant of the decision and what must be included in the decision notice.

**Part 6 of the Prescribed Requirements Regulations (as amended by Amending Regulations)**

Set out the transitional provisions that will apply to persons who are in receipt of, or who have made an application for, a reduction under existing reduction schemes, when the new schemes come into operation.

**Discretionary elements agreed by the Isle of Anglesey County Council to provide Council Tax reduction in addition to the statutory requirements detailed in the Prescribed Requirements Regulations adopted by the Council**

The Isle of Anglesey County Council has decided to adopt a Local War Disablement Pension and War Widow's or Widower's Pension Discretionary Scheme. This is detailed in Appendix 2 which provides the elements of such pensions that will be disregarded as income. This is additional Council Tax reduction to that statutorily required in the Prescribed Requirements Regulations. This Local War Disablement Pension and War Widow's or Widower's Pension Discretionary Scheme is identical to the scheme that applied under Council Tax Benefit.

This will be the only local discretion applied by the Isle of Anglesey under its Local Council Tax Reduction Scheme.

**Details the following procedure by which a person can apply for a reduction under the scheme**

All persons must apply for a Council Tax Reduction, unless further Welsh Government regulations state otherwise. This will be an electronic or a paper Council Tax Reduction Application Form delivered to the following designated offices.

**A.** An electronic application can be made by the following methods:-

- i.** By appointment to attend to complete the form at the Revenues and Benefits Office, Resources Function, County Offices, Llangefni, LL77 7TW (Telephone 01248 752658/752226) or for vulnerable clients to attend at their home to complete the application form;
- ii.** By appointment to complete the form over the telephone to the Revenues and Benefits Office, Resources Function, County Offices, Llangefni, LL77 7TW (Telephone 01248 752658/752226);
- iii.** By appointment to complete the form at the J E O'Toole Centre, Trearddur Square, Holyhead, LL65 1NB (Telephone 01407 760208);
- iv.** Electronically via the Isle of Anglesey County Council's web site;
- v.** Department of Work and Pension Local Authority Input Document (LAID) and Local Authority Customer Information (LACI) where they declare an intention to claim a Council Tax Reduction;
- vi.** Electronically in some other format as the Isle of Anglesey County Council may decide in the future.

**B.** A paper application can be made by the following methods:-

By approved application form received by the Isle of Anglesey Resources Function, Revenues and Benefits at its designated offices at Council Offices, Llangefni, LL77 7TW or the Benefits Office, Room 3, 2<sup>nd</sup> Floor, Town Hall, Newry Street, Holyhead, LL65 1HU.

**LOCAL SCHEME – WAR PENSION DISREGARDS**  
**Schedule 4, Regulation 30 – Pensioners**  
**Schedule 9, Regulation 31 – Non Pensioners**

INDIVIDUAL ELEMENTS	INCOME DISREGARDED
War Disablement Pension	Yes (£10 statutory, 100% Local)
War Widows or War Widower's Pension	Yes (£10 statutory, 100% Local)
War Widow Pension (Pre 1973 – SPAL)	Yes (2014 - 2015) 100% statutory, £???.?? subject to annual uprating*)
Unemployability Supplement	No
Additional Allowance for Wife (paid with Unemployability Supplement)	No
Constant Attendance Allowance	Yes (statutory)
Invalidity Allowance	No
Comforts Allowance	No
Age Allowance	No
Allowance for Lower Standard of Occupation	No
War Pensioners Mobility Supplement	Yes (statutory)
Exceptionally Severe Disablement Allowance	Yes (statutory)
Severe Disablement Occupational Allowance	Yes (statutory)
Child Allowance	No

\*this is set by the Naval, Military and Air forces etc. "Disablement and Death" Service Pension Order 2006. Uprating for 2014 - 2015 has not yet been received.



# **Isle of Anglesey County Council**

## **Response to the public consultation on the Council Tax Reduction Scheme 2014 - 2015**

## **Introduction and reason for consulting**

The Isle of Anglesey County Council (the Council) conducted a consultation between 9 December 2013 and 10 January 2014 on the Welsh Government's Council Tax Reduction Scheme which replaces the current Council Tax Reduction Scheme from 1 April 2014 onwards. The previous Council Tax Reduction Scheme applied for 2013 - 2014 only and if the Welsh Government had not introduced a further scheme to help low income households to meet the cost of council tax bills after 31 March 2014, no such scheme would exist in Wales.

Similar to the 2013 - 2014 Council Tax Reduction Scheme, the scheme for 2014 - 2015 also allows up to 100% maximum reduction.

The Council has undertaken a consultation exercise in the limited time available before it has to adopt its local Council Tax Reduction Scheme by 31 January 2014, (the Welsh Assembly did not approve the Welsh Government's new and amending regulations until 27 November 2013 and 14 January 2014 respectively). Other than funding at Council level, the scheme proposed for 2014 - 2015 does not contain any significant changes from the scheme which is currently operational; hence the Council did not conduct a local Equalities Impact Assessment Study this year (an assessment was undertaken last year when changes were planned). The Welsh Government has undertaken a detailed 'regulatory' impact assessment, which includes an Equality Impact Assessment and the Council is given to understand that the findings reported were in line with their expectations.

## **The consultation**

The consultation was made available on the Council's website (with hard copies available at Revenues and Benefits Office). It was also available on the Council's Twitter and Facebook accounts. The consultation document was much shorter than for 2013 - 2014 making it more user friendly for people to respond, especially to the limited areas where local discretion could apply.

## **Summary of responses**

In total there was only one response to the consultation from a Welsh Third Party Organisation. The response is attached in the Annex.

The consultation asked for views about the following issues (replies to Questions 1 to 2 will be forwarded to the Welsh Government as they relate to matters dealt by them). The responses included a combination of direct answers to the questions set with a few additional comments.

As the number of responses is limited it is possible to provide details of the responses given.

1. Do you agree with the approach adopted in the 2012 Regulations by the Welsh Government which has been continued, subject to amendments, in the 2013 Regulations - a national framework of support being retained and the levels of entitlement for eligible applicants being protected at their current levels? That this approach to calculating the council tax reduction under the 2013 Regulations reflect the approach that was taken when calculating the former Council tax Benefit?

**No responses.**

2. Do you have any views on any other aspects of the proposed Council Tax Reduction Scheme, proposed by Welsh Government?

**No responses.**



## Areas of Local Discretion (to Isle of Anglesey County Council)

- a) 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.

The Council proposes that the existing 4 week standard extended payment should remain unaltered

Do you think this is reasonable?

Yes/No

If you have indicated no, please outline what you consider what period this should be.

**One disagreed with the Council's proposal. The detailed response is included here –**

*“No*

*We feel that 4 weeks is generally sufficient time for an individual to continue to receive a Council Tax reduction after commencing paid employment. However we do feel that there should be a robust mechanism in place to proactively identify individuals who are in debt and/or facing financial difficulties despite finding employment. In these cases there should be recourse for individuals to discretionary Council Tax Reductions or other financial support for those who are facing difficulties paying their Council Tax, despite being in paid employment with earnings above the earnings threshold for Council Tax Reductions.*

*For example some individuals will have accrued debts whilst unemployed that may result in a loss of heating or lighting to their home; homelessness; inability to feed themselves; inability to afford to travel to their workplace or other debts that cause not only distress and anguish, but also physical health and wellbeing concerns. In those situations individuals may require a longer period, in addition to independent advocacy and support, to address their financial difficulties before having to pay Council Tax.*

*Consideration should also be given to delays in notifying the Council immediately of a change in circumstances, especially where this is due to not understanding their responsibilities due to communication barriers or disability-related barriers. In such circumstances retrospectively applying full Council Tax liability could force an individual into poverty and debt through no fault of their own.”*

- b) Discretion to disregard part or the whole amount of War Disablement pensions and War Widows Pensions when calculating income

The Council proposes to continue to disregard this income, as it currently does for 2013 – 2014 and the previous Council Tax Benefit scheme. Please see the details of the income disregarded under the draft scheme in Appendix A.

Do you think this is reasonable?

Yes/No

If no, please indicate which additional individual elements you feel the Council should disregard and why.

**The one response agreed with the current scheme. The detailed response is given –**

*“Yes.*

*We welcome this proposed disregard. There is substantial evidence that pensioners are at greater risk of poverty, especially if they face unexpected costs or are disabled. This is also particularly pertinent at present as some individuals face significant changes to their pension funds within 10 years of reaching retirement age. This has a severely detrimental impact on their ability to plan effectively for retirement. We would prefer to see higher disregards for pension income overall, but recognise that this is a matter over which Anglesey County Council has no discretion.*

*Many veterans find it difficult to find other employment when they leave the armed forces, which being a disabled person compounds further and war widows have often lost significant income from their partner or spouse. Therefore this disregard is vital to prevent veterans from falling into poverty.”*

- c) 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.

The Council proposes to keep the maximum backdate available to the 3 months statutory period.

Do you think this is reasonable?

Yes/No

If you have answered No, what period do you think is reasonable and why?

6 months

12 months

other (please specify)

**The one response disagreed. The detailed response is given -**

*“No. 6 months*

*We strongly believe Council Tax Reductions should be able to be back dated by 6 months if there are reasons for the delay, such as bereavement, mental distress, a hospital or hospice stay, caring for a family member, or disability-related barriers.*

*The circumstances which have led an individual to claim Council Tax Reduction can often be both complex and lead to situations where an individual is struggling to access other entitlements and to continue to afford housing, utilities, water, food and other basic costs. In these situations there may be a delay in applying for Council Tax Reduction, which should be accounted for and 3 months is not sufficient time in some cases.*

*Similarly many disabled people require additional time to complete forms either due to limited energy or time to fill in forms or due to not understanding the information or processes. Time limits can often place these individuals under extreme stress and anxiety and therefore any extension to backdating provisions, in order to account for these barriers and to prevent people falling into poverty and/or debt, is welcome.”*

- ch) Do you have any views on the other aspects of the draft Local Council Tax Reduction Scheme, as proposed by the Isle of Anglesey County Council in Appendix A?

**One response was received. The detailed response is given:-**

*“We would encourage Anglesey County Council to ensure that all individuals applying for Council Tax Reductions, any benefit, or any concern from the Council are signposted to independent professional advocacy to ensure that they are able to understand and complete forms accurately, reducing administration costs for the Council and stress and anxiety for the individuals applying.*

*Accessible formats and community language information, documents and forms should also be proactively provided, including large print, Easy Read and audio documents. This should be in addition to providing all standard documents in Plain English and Cymraeg Clir as the usual format. This includes avoiding acronyms such as CTRS and using everyday language in all information provided to in response to enquiries and in standard forms and information leaflets and documents.*

*These recommendations form part of the discretion to Local Authorities regarding simplifying information available to residents and assist in tackling poverty on Anglesey.”*

## **Council’s Responses**

In the limited areas of local discretion the Council is mindful that there is no additional funding available to meet the cost of additional local reductions agreed. The grant paid by the Welsh Government does not meet in **full the cost of the statutory scheme**, the shortfall, to be met by the Council is expected to be between £350,000 and £460,000 in 2014 - 2015. Applying local discretion would add further costs to be met by the Council.

- **Extended Payment Period** - the Council has calculated that the increased costs associated with extending the standard statutory extended payments under the Council Tax Reduction Scheme will be as follows:-

<b>Period of increase</b>	<b>Increased cost to the Council</b>
No increase	£0
2 weeks	£6,600
4 weeks	£13,200
6 weeks	£19,800

Under the previous Council Tax Benefit rules there were no special provisions to extend this period beyond 4 weeks. The Council did not exercise its discretion to increase the extended payment period under the current local Council Tax Reduction Scheme for 2013 - 2014.

The Council has powers under section 13A of the Local Government Finance Act 1992 to award discretionary reliefs to reduce or remit in whole or part an individual’s Council Tax liability. It can designate local classes that relate to a person’s individual circumstances or the circumstance of a property e.g. subject to flooding. The cost of granting such discretionary reliefs under Section 13A falls directly on the local tax payer. No budget provision exists for such reliefs and currently each case is dealt with on an individual basis.

Further, with the introduction of the Council Tax Reduction Scheme in April 2013 as the reduction was not a benefit, Discretionary Housing Payments from April 2013 could no longer be paid in respect of Council Tax costs. With the reduction schemes for 2013 - 2014 and 2014 - 2015 allowing up to 100% maximum reduction, the provision of an additional discretionary fund to meet Council Tax costs for certain classes of persons or properties in full or in part is felt not to be required.

As the Welsh Government is currently consulting on changes to the Council Tax Reduction Scheme from April 2015 (including the possibility of limiting the maximum support available to less than 100%), the Council will consider at the appropriate time whether a budgetary provision is required to consider discretionary reductions against Council Tax costs.

With regard to the setting up of a triage system to identify individuals who need assistance, debt advice, independent advocacy etc., the Council will address these issues within the scope of its Welfare Reform Project.

- **War Widows/Widowers** - the Council is committed to continuing with its current local discretionary scheme in respect of War Disablement and War Widow or War Widower's Pension Income Disregard.
- **Backdating of claims** - the previous Council Tax Benefit Scheme differed between pensioners and non-pensioners. Pensioners had a right of up to 3 months to have their claim back dated, commonly called "time to claim rule" but non-pensioners had to show "continuous good cause" why a claim could be backdated and if proven, this could be up to 6 months. There were no special provisions to extend beyond these limits. The Welsh Government's statutory prescribed Council Tax Reduction Scheme essentially replicated this position but for pensioners and non-pensioners, the cost of applying discretion beyond 3 months fell on the Council.

In 2012/2013, the total value of backdating under the previous Council Tax Benefit scheme for non-pensioner claimants was £9,000. Not all cases were for periods in excess of 3 months; indeed, these were in the minority and the estimated cost to the Council if non-pensioners, having shown "good cause" where backdated over 3 months and up to 6 months was £2,000. There were no costs figures available if the discretion over 3 months was applied for pensioners. There is therefore a great deal of uncertainty about the likely cost if such a local scheme was applied.

Since October 2008 Pensioner "time for claiming" under the previous Council Tax Benefit Scheme had been limited to 3 months (down from 12 months) with no local discretion and the Council for 2013/2014 did not propose to use the new local discretion to extend this for pensioners and equivalent back dating for non-pensioners.

A position exists therefore, where for Housing Benefit (where continuous good cause has been shown by a non-pensioner claimant) that claim can be backdated up to six months for Housing Benefit but on the same claim Council Tax Reduction can only be backdated 3 months (if continuous good cause has been shown).

The Council is however, still of the view that 3 months is an adequate time period to allow backdating of Council Tax Reduction Scheme for both pensioner and non-pensioner claims. The Council is of the view that there are sufficient support networks available to advise claimants.

- **Other aspects of the Local Council Tax Reduction Scheme –**

The local council tax reduction scheme for 2014/2015 allows Department of Work and Pensions forms known as "Local Authority Input Documents" (LAIDs) and "Local Authority Customer Information" (LACIs) to be properly made claims where they declare an intention to claim a reduction. This negates the need to complete a further form to claim a Council Tax Reduction for passported benefit claimants.

The Council will strive to improve current notices to make them more easily understood by claimants.

## **Conclusion**

1. The number of responses to the consultation was disappointing. The fact that the period where it was possible to undertake the consultation was very short and the very limited local discretion allowed under the Welsh Government's scheme may be factors.

Further the scheme for 2014/2015 was little different to that for 2013/2014.

2. Funding for the new Council Tax Reduction Scheme will not meet its full cost. The Welsh Government's grant will still leave a shortfall of between £350,000 and £460,000 to be met by the Council during 2014/2015. The cost of applying local discretions allowed under the regulations also have to be met by the Council i.e. there is no additional funding for local discretions.

#### **Next steps**

1. On the 27 January 2014 the full Council will formally adopt its Local Council Tax Reduction Scheme
2. The Revenue and Benefits Service will at annual Council Tax Billing in March 2014 include, where relevant, Council Tax Reduction Notices with each Council Tax bill where a reduction has been awarded and include information on the Council Tax Reduction Scheme for all other tax payers.



## **Response to Anglesey County Council's consultation on Council Tax Reduction Scheme 2014/15**

**Respondent's name:** Ele Hicks  
**Respondent's Role:** Social Policy Officer  
**Organisation:** Diverse Cymru

### **Contact details**

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### **Organisation Background**

Diverse Cymru is an innovative new organisation in the Welsh Third Sector, created in recognition of the realities faced by people experiencing inequality in Wales.

Diverse Cymru promotes equality for all. We believe that we can work together to challenge discrimination in all its forms and create an equitable future for the people of Wales.

Diverse Cymru aims to make a real difference to people's lives through delivering services that reduce inequality and increase independence; supporting people to speak for themselves and to connect with decision makers; creating opportunities for participation and development; raising awareness of equality issues; and inspiring people to take action against inequality.

Our current services include direct payments, self directed and independent living support, befriending and advocacy. We produce information resources, run a service user involvement project and co-ordinate volunteer placements. We facilitate forums and groups that work on various issues, from improving disability access to equality impact assessments. We provide consultancy services and deliver a range of training courses on equality related topics.

This response focuses specifically impacts on people from protected characteristic (equality) groups. We would be delighted to assist with the development of specific work programmes, and with engaging service users in future. We are happy for our response to this consultation to be published.

**Areas of Local Discretion (to Isle of Anglesey County Council)**

**a) 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**

**The Council proposes that the existing 4 week standard extended payment should remain unaltered?**

**Do you think this is reasonable?**

No

**If you have indicated no, please outline what you consider that this period should be.**

We feel that 4 weeks is generally sufficient time for an individual to continue to receive a Council Tax reduction after commencing paid employment. However we do feel that there should be a robust mechanism in place to proactively identify individuals who are in debt and/or facing financial difficulties despite finding employment. In these cases there should be recourse for individuals to discretionary Council Tax Reductions or other financial support for those who are facing difficulties paying their Council Tax, despite being in paid employment with earnings above the earnings threshold for Council Tax Reductions.

For example some individuals will have accrued debts whilst unemployed that may result in a loss of heating or lighting to their home; homelessness; inability to feed themselves; inability to afford to travel to their workplace or other debts that cause not only distress and anguish, but also physical health and wellbeing concerns. In those situations individuals may require a longer period, in addition to independent advocacy and support, to address their financial difficulties before having to pay Council Tax.

Consideration should also be given to delays in notifying the Council immediately of a change in circumstances, especially where this is due to not understanding their responsibilities due to communication barriers or disability-related barriers. In such circumstances retrospectively applying full Council Tax liability could force an individual into poverty and debt through no fault of their own.

**b) Discretion to disregard part or the whole amount of War Disablement pensions and War Widows Pensions when calculating income**

**The Council proposes to continue to disregard this income, as it currently does for Council Tax Benefit. Please see the details of the income disregarded under the draft scheme in Appendix A.**

**Do you think this is reasonable?**

Yes

We welcome this proposed disregard. There is substantial evidence that pensioners are at greater risk of poverty, especially if they face unexpected costs or are disabled. This is also particularly pertinent at present as some individuals face significant changes to their pension funds within 10 years of reaching retirement age. This has a severely detrimental impact on their ability to plan effectively for retirement. We would prefer to see higher disregards for pension income overall, but recognise that this is a matter over which Anglesey County Council has no discretion.

Many veterans find it difficult to find other employment when they leave the armed forces, which being a disabled person compounds further and war widows have often lost significant income from their partner or spouse. Therefore this disregard is vital to prevent veterans from falling into poverty.

**c) 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.**

**The Council proposes to keep the maximum backdate available to the 3 month statutory period. Do you think this is reasonable?**

No

**If you have answered 'No', what period do you think is reasonable?**

6 months

We strongly believe Council Tax Reductions should be able to be back dated by 6 months if there are reasons for the delay, such as bereavement, mental distress, a hospital or hospice stay, caring for a family member, or disability-related barriers.

The circumstances which have led an individual to claim Council Tax Reduction can often be both complex and lead to situations where an individual is struggling to access other entitlements and to continue to afford housing, utilities, water, food and other basic costs. In these situations there may be a delay in applying for Council Tax Reduction, which should be accounted for and 3 months is not sufficient time in some cases.

Similarly many disabled people require additional time to complete forms either due to limited energy or time to fill in forms or due to not understanding the information or processes. Time limits can often place these individuals under extreme stress and anxiety and therefore any extension to backdating provisions, in order to account for these barriers and to prevent people falling into poverty and/or debt, is welcome.

**ch) Do you have any views on the other aspects of the draft Local Council Tax Reduction Scheme, as proposed by the Isle of Anglesey County Council in Appendix A?**

We would encourage Anglesey County Council to ensure that all individuals applying for Council Tax Reductions, any benefit, or any concern from the Council are signposted to independent professional advocacy to ensure that they are able to understand and complete forms accurately, reducing administration costs for the Council and stress and anxiety for the individuals applying.

Accessible formats and community language information, documents and forms should also be proactively provided, including large print, Easy Read and audio documents. This should be in addition to providing all standard documents in Plain English and Cymraeg Clir as the usual format. This includes avoiding acronyms such as CTRS and using everyday language in all information provided to in response to enquiries and in standard forms and information leaflets and documents.

These recommendations form part of the discretion to Local Authorities regarding simplifying information available to residents and assist in tackling poverty on Anglesey.

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