

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL
COUNCIL

22nd DECEMBER 2021

REPORT OF THE CHIEF FINANCE OFFICER

SECTION A – MATTERS FOR DECISION

WARDS AFFECTED – ALL

COUNCIL TAX REDUCTION SCHEME 2022/23

Purpose of Report

1. This report sets out the proposed Council Tax Reduction Scheme for 2022/23 which needs to be adopted by Council by 31st January 2022. It also makes proposals relating to discretionary areas within the proposed scheme.

Background

2. Council Tax Benefit was replaced in April 2013 by a Council Tax Reduction Scheme more commonly known as Council Tax Support.
3. As Members are aware the UK Government funding for the scheme was reduced by approximately 10% as compared to their funding level for the previous Council Tax Benefit Scheme. However, since 2013/14 the Welsh Government has continued to provide an additional £22m on top of its base funding of £222m to enable financial support up to 100% of the council tax bill to be made available for eligible claimants.
4. The Welsh Government made regulations for a national scheme for Council Tax support. However, the obligation remains upon the Council to adopt a scheme.

Current Position

5. The current Council Tax Reduction Scheme ends on 31st March 2022 and a new scheme must be adopted for 1st April 2022.
6. As Members are aware the Council provides Council Tax support to circa 17,000 households within the County Borough, of which approximately 12,000 receive full support and pay no Council Tax. The remaining 5,000 households receive partial support to pay for their Council Tax.
7. Although the Local Government Finance Act gives Welsh Ministers discretion to allow Welsh local authorities to determine the contents of schemes themselves, the Welsh Government have approved an extension to the existing national framework for the provision of Council Tax Support in Wales. This is to avoid what has been termed a "postcode lottery" whereby eligibility for a Council Tax reduction and the size of the Council Tax reduction for particular groups could be different in different council areas. This extension provides up to a "100% support scheme" for 2022/23.
8. The Council Tax Reduction Scheme in Wales is set by Regulations made under Schedule 1B of the Local Government Finance Act 1992 (as inserted by the Local Government Finance Act 2012). On 26th November 2013 the Wales Government approved the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 and the Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2013.
9. The scheme is subject to the annual up-rating of certain figures used by authorities to assess individual customers' entitlement and is also subject to periodic technical adjustments. These amendments are contained in The Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2022.
10. These regulations have been laid in Welsh Government on the 7th December 2021 and are due to be debated by Welsh Government in January 2022. It is proposed that the Council also adopts the

proposed changes that will be made by the Welsh Government, which include:

Upating figures for 2022-23

Personal allowances in relation to working age, pensioner age, carer and disabled premiums will be updated as will non-dependent deductions.

Additional Amendment

There are new categories of persons who are not be treated as not being in Great Britain for the purpose of the residence criteria set out in regulation 28 of the Prescribed Requirements Regulations. The new categories are persons to whom leave is granted under immigration rules by virtue of the Afghan Relocations and Assistance Policy or the previous scheme for locally-employed staff in Afghanistan (otherwise known as the ex-gratia scheme), persons to whom leave is granted under the Afghan Citizens Resettlement Scheme, and persons not coming within those schemes, but who arrived in Great Britain from Afghanistan in connection with the fall of the Afghan government that took place on 15 August 2021.

Integrated Impact Assessment

11. The Welsh Government has previously compiled an Equalities Impact Assessment following its consultation. A local Equalities Impact Assessment has previously been carried out by this Council in 2012 and 2013. Those consultations assisted the Council in satisfying the public sector equality duty as set out in the Equality Act. A first stage impact assessment has been undertaken to assist the Council in discharging its legislative duties (under the Equality Act, the Welsh Language Standards (No.1) Regulations 2015, the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016. The first stage assessment, attached at Appendix 1, has indicated that a more in-depth assessment is not required.

12. The approved national scheme, within the Prescribed Requirements Regulations, provides some limited discretion for the Council to apply additional elements that are more generous than the national scheme.
13. As the Welsh Government has introduced a standard scheme other than for 3 discretionary items as set out below they have determined there is no need for each Council to carry out a separate consultation process in relation to individual schemes. This is provided that there is no proposed change in relation to the discretionary elements. It is confirmed that there are no proposed changes to the discretionary elements for the 2022/23 Council Scheme as set out below.

- (a) The ability to backdate the application of council tax reduction with regard to late claims prior to the standard period of three months before the claim;

that there is no increase in the backdate period for pensioners and working age claimants from the standard 3 months contained within the prescribed scheme.

- (b) 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;

that there is no change to the standard 4 week extended reduction period contained within the Prescribed Scheme.

- (c) Discretion to increase the amount of War Disablement Pensions, War Widows Pensions and War Widower's Pensions which is to be disregarded when calculating income of the claimant;

The National Scheme provides for the first £10 per week of this income to be disregarded.

to continue to disregard the above-mentioned pensions income in full.

Financial Implications

14. This Council's total budget for Council Tax Support in 2021/22 is £19.835m. The budget for 2022/23 will be determined by Cabinet on 28th February 2022.

Legal Implications

15. 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.

Risk Implications

16. The Council needs to manage the cost of Council Tax Support within its budget. The amount of Welsh Government support is provided on a fixed basis rather than the demand-led basis of support to council tax benefit. Any variation in Council Tax support costs will have to be met by this Council.

Recommendations

17. Having given due regard to the Integrated Impact Assessment. It is recommended that Council approve the following in relation to establishing its Council Tax Reduction Scheme for the 2022/23 financial year:
 - (a) Adopts the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 as further amended by the Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2022 and any subsequent amendments that may be required by legislation in relation to The Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2022.

(b) Approves the retention of the existing discretionary elements in relation to the Prescribed Scheme:

- (i) That no increase in the backdate period for all claimants be applied from the standard 3 months contained in the Prescribed Scheme.
- (ii) That no increase in the extended reduction period for all claimants be applied from the standard 4 weeks currently contained within the Prescribed Scheme.
- (iii) Apply a 100% disregard for War Disablement Pensions, War Widows Pensions and War Widower's Pensions for all claimants.

Reason for Proposed Decision

- 18. To establish a Council Tax Reduction Scheme for 2022/23 in line with legislation and regulations.

Implementation of Decision

- 19. The decision is for immediate implementation.

Background Documents

- 20. Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 as amended by the Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2015, amended by the Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2016, amended by the Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2017 ("Uprating Regulations"), amended by The Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2018 ("Uprating Regulations") and further amended by The Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2019. Further

amended by The Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2020. Further amended by The Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2021. Further amended by The Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2022.

Appendix

Appendix 1 – Impact Assessment – First Stage

Officer Contact

For further information on this report item, please contact:

Mr Huw Jones – Chief Finance Officer

E-mail: h.jones@npt.gov.uk

Mrs Ann Hinder – Principal Revenues Officer

E-mail: a.hinder@npt.gov.uk

Impact Assessment - First Stage

1. Details of the initiative

Initiative description and summary: Council Tax Reduction Scheme 2022/23.

The Welsh Government has previously consulted and put in place a universal scheme across Wales for the provision of financial support to the most financially disadvantaged citizens to help them pay their Council Tax. Since 2013/14 the Welsh Government has provided £244m to the 22 Local Authorities in Wales to adopt a standard scheme of financial support. This is to avoid what has been termed a "postcode lottery" whereby eligibility for a Council Tax reduction and the size of the Council Tax reduction for particular groups could be different in different council areas. The continued extension of this scheme into 2022/23 provides up to a "100% support scheme" for eligible taxpayers. As in all years since 2013/14 Neath Port Talbot Council's Council Tax Reduction Scheme (or support scheme) will be in line with the standard Welsh Government Scheme and does not propose any change to the 3 Discretionary elements of the scheme as asset out in paragraph 14 of the report.

Service Area: Council Tax

Directorate: Chief Executive

2. Does the initiative affect:

	Yes	No
Service users (council taxpayers)	X	
Staff	X	
Wider community	X	
Internal administrative process only		X

3. Does the initiative impact on people because of their:

	Yes	No	None/ Negligible	Don't Know	Impact H/M/L	Reasons for your decision (including evidence)/How might it impact?
Age				X		<p>Council Tax is payable by people occupying non domestic properties. These include owner occupiers, tenants and owners of properties (if they are vacant). There are a number of exemptions and discounts available for council tax payers and these along with the Council Tax Support Reduction scheme are applied to each property/taxpayer in line with Government legislation and regulations.</p> <p>The Council Tax Reduction Scheme (CTRS) set out in this report was consulted on by Welsh Government prior to its adoption in 2013/14. CTRS is provided to all eligible taxpayers to help them pay their Council Tax. This report shows that the cost to the Council exceeds the share of the £244m funding made available. The cost of the scheme has to be found from within the Council's total resources available. The Council Tax database does not identify the specific characteristics of taxpayers. All eligible taxpayers receive the appropriate financial support in line with the scheme's criteria and do not treat any people with protected characteristics any different.</p>
Disability				X		
Gender Reassignment				X		
Marriage/Civil Partnership				X		
Pregnancy/Maternity				X		
Race				X		
Religion/Belief				X		
Sex				X		
Sexual orientation				X		

4. Does the initiative impact on:

	Yes	No	None/ Negligible	Don't know	Impact H/M/L	Reasons for your decision (including evidence used) / How might it impact?
People's opportunities to use the Welsh language		X				Applications for support can be made in Welsh
Treating the Welsh language no less favourably than English		X				Applications for support can be made in Welsh

5. Does the initiative impact on biodiversity:

	Yes	No	None/ Negligible	Don't know	Impact H/M/L	Reasons for your decision (including evidence) / How might it impact?
To maintain and enhance biodiversity		X				
To promote the resilience of ecosystems, i.e. supporting protection of the wider environment, such as air quality, flood alleviation, etc.		X				

6. Does the initiative embrace the sustainable development principle (5 ways of working):

	Yes	No	Details
Long term - how the initiative supports the long term well-being of people	X		The scheme provides assistance to people on benefits and low income to help them pay their Council Tax. This is a continuation of a standard uniform scheme introduced by Welsh Government in 2013/14. In line with Regulations the council must determine annually before the end of January the Council Tax Reduction scheme that it will have in place for the next financial year i.e. 2022/23.
Integration - how the initiative impacts upon our wellbeing objectives	X		It assists to provide a sense of community and helps people live locally without having to be concerned about paying all or part of their Council Tax.
Involvement - how people have been involved in developing the initiative		X	The scheme has been in existence since 2013/14 and is proposed to continue unchanged in 2022/23. If the Welsh Government proposes any changes to the scheme they will be subject to full consultation.
Collaboration - how we have worked with other services/organisations to find shared sustainable solutions		X	The Council is applying the standard scheme of financial support as provided by the Welsh Government
Prevention - how the initiative will prevent problems occurring or getting worse	X		It prevents people having tax arrears and having to pay their Council Tax when they are on the appropriate benefits and/or low incomes

7. Declaration - based on above assessment (tick as appropriate):

A full impact assessment (second stage) is not required	X
Reasons for this conclusion	
This is a continuation of the Council Tax Reduction scheme that has been in existence since 2013/14. In line with regulations the Council's is required to approve its scheme for the forthcoming financial year before 31 January of each year.	

A full impact assessment (second stage) is required	
Reasons for this conclusion	

	Name	Position	Date
Signed off by	Huw Jones	Chief Finance Officer	10.12.21