

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

30th JANUARY 2024

REPORT OF THE CHIEF FINANCE OFFICER

SECTION A – MATTERS FOR DECISION

WARDS AFFECTED – ALL

COUNCIL TAX REDUCTION SCHEME 2024/25

Purpose of Report

1. This report sets out the proposed Council Tax Reduction Scheme for 2024/25 which needs to be adopted by Council by 31st January 2024. 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 2024 and a new scheme must be adopted for 1st April 2024.
6. As Members are aware the Council provides Council Tax support to approximately 15,500 households within the County Borough, of which approximately 10,850 receive full support and pay no Council Tax. The remaining 4,650 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 2024/25.
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 2024.
10. These regulations have been laid in Welsh Government on the 5th December 2023 and are due to be debated/approved by Welsh Government in January 2024. It is proposed that the Council also

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

Uprating figures for 2024-25

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

Additional Amendments

In addition to uprating the financial figures, there are also a number of other amendments to the 2013 CTRS Regulations, which make provision for the treatment of the following, which ensure the 2013 Regulations remain up-to-date and fit for purpose.

Widowed Parents Allowance and Bereavement Support back payments

The proposed amendment to the 2013 CTRS Regulations will ensure no applicant living in Wales is negatively impacted because they have received a Widowed Parents Allowance (WPA) back payment or a retrospective Bereavement Support Payment (BSP).

The amendment makes provision to disregard any payment received from the calculation of an applicant's capital under the scheme.

The amendment proposes that any backdated BSP award would be aligned with the existing provision for BSP awards and disregarded for a period of 12 months. Any WPA back payments will continue to be disregarded from a person's capital.

Post Office Compensation payments

The UK Government has announced funding to enable the Post Office to deliver compensation schemes and arrangements for various cohorts of postmasters. These include the Horizon Shortfall Scheme, compensation arrangements for postmasters whose

convictions were overturned and a compensation scheme for postmasters who did not receive remuneration during a suspension period.

An amendment will ensure no applicant living in Wales is negatively impacted because they receive any compensation or support payment made in connection with the failings of the Post Office Horizon system.

The amendment makes provision to disregard any compensation or support payment received from the calculation of an applicant's capital and a non-dependant's deduction under the scheme.

The Vaccine Damage Payment scheme

The Vaccine Damage Payment Scheme (VDPS) incorporated COVID-19 from December 2020, and the scheme is now processing these claims. The majority of VDPS awards are already disregarded relating to compensation for personal injury. However, this does not currently apply to the partners of vaccinated individuals who receive a payment derived from a VDPS award.

The proposed amendment to the 2013 CTRS Regulations will ensure that no applicant living in Wales is negatively impacted because they receive a payment under the Vaccine Damage Payments Act 1979 in respect of a partner.

The amendment makes provision to disregard a payment received from the calculation of an applicant's capital under the scheme.

The Infected Blood Inquiry

The Infected Blood Inquiry published its first interim report in July 2022: this made a number of recommendations for a framework for compensation and redress for the victims of infected blood. The report recommended that interim compensation payments of £100,000 be made to infected persons and bereaved partners who registered with a UK infected blood support scheme.

Where an infected person or their bereaved partner died before the interim payment could be made, the Government agreed that the interim payment of £100,000 would be made to that person's estate.

An amendment to the 2013 CTRS Regulations will ensure that no applicant living in Wales is negatively impacted because they receive an interim infected blood compensation payment from their deceased parent's estate.

The amendment makes provision to disregard a payment received from the calculation of an applicant's capital under the scheme.

Minor technical and consequential amendments

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

A consequential amendment will also reflect changes to the legislative landscape as a result of The Tertiary Education and Research (Wales) Act 2022 which becomes operational from April 2024.

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 2024/25 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 backdated 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 2023/24 is £19.413 million. The budget for 2024/25 will be determined by Cabinet in February 2024.

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 2024/25 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 2024 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 2024.
- (b) Approves the retention of the existing discretionary elements in relation to the Prescribed Scheme:
 - (i) That no increase in the backdated 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 2024/25 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. Further amended by The Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2023. Further amended by The Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2024.

Appendix

Appendix 1 – Impact Assessment – First Stage

Officer Contact

For further information on this report item, please contact:

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Impact Assessment - First Stage

1. Details of the initiative

<p>Initiative description and summary: Council Tax Reduction Scheme 2024/25.</p> <p>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 2024/25 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 are set out in paragraph 13 of the report.</p>
<p>Service Area: Council Tax/Benefits</p>
<p>Directorate: Strategy & Corporate Services</p>

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 differently.</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				H	Applications for support can be made in Welsh
Treating the Welsh language no less favourably than English	X				H	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. 2024/25.
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 2024/25. 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 by 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	19.12.23