

Report to	County Council
Date of meeting	30 th January 2024
Lead Member / Officer	Councillor Gwyneth Ellis, Lead Member for Finance, Performance and Strategic Assets / Liz Thomas, Head of Finance and Audit
Report author	Leah Gray / Liz Thomas
Title	Council Tax Reduction Scheme 2024/25

1. What is the report about?

The adoption of the All Wales Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 and the All Wales Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Amendment) (Wales) Regulations 2024

2. What is the reason for making this report?

From 31 March 2013 council tax benefit ceased and the responsibility for providing support for council tax and the funding associated with it, has been passed to the Welsh Government.

The Welsh Government have finalised both sets of annual regulations on 19th January 2024 and the new Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 and amendments Regulations 2024 are required to be adopted by 31st January 2024.

The statutory instrument amendments to the 2013 CTRS Regulations uprate certain figures in those Regulations used to calculate entitlement to a council tax reduction. And the amount of any reduction awarded to applicants in the 2024/25 financial year, to reflect the increases in the cost of living. It also makes minor technical, presentational and consequential changes to the 2013 CTRS Regulations.

3. What are the Recommendations?

- 3.1. That members adopt the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 and the Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Amendment) (Wales) Regulations 2024 in respect of the 2024/25 financial year.
- 3.2. That members approve the discretionary elements of the scheme, shown in section 4.4, for 2024/25 financial year.

4. Report details

4.1. The Proposed Scheme 2024/25

In considering the development of a new scheme for 2024/25, Welsh Government agreed that the amended scheme should observe the following parameters:

- To continue with a single nationally defined scheme to providing a consistent level of support to claimants across Wales. The maximum level of support is set at 100%.
- To continue providing a small number of discretionary elements, similar to those available under the current scheme, allowing local authorities to respond to their differing local circumstances (provided that the costs of any local variation are locally funded).
- To continue to be based on a reform of the previous Council Tax Benefit system, until 2025-26 so that operational risks are managed and that support can continue to be provided.

4.2 Uprating for 2024/25

The amended 2013 CTRS Regulations uprate financial figures used to calculate entitlement to a reduction in line with Welsh Government policy. A number of other figures are included in the uprating for 2024/25. These include:

- Personal allowances in relation to working age, and carer and disabled premiums
The financial figures in respect of these allowances have been amended and have increased in line with the cost-of-living rises. The convention is to uprate in line with

the Consumer Price Index figure for September from the previous year (2023), which is 6.7%.

- Personal allowances in relation to pensioners The financial figures in respect of pensioner rates have been amended and are aligned with Housing Benefit. These have been calculated with assistance from the Department of Work and Pensions and have been updated by different mechanisms. For example, the Pension Credit Standard Minimum Guarantee is updated by earnings, whereas the Additional Pension and increments are updated by prices.
- Non-dependant deductions The financial figures for the income bands and deductions made in relation to non-dependants have been updated. If amendments are not made, the deductions from CTRS awards would not be appropriate as the income thresholds would no longer reflect average earnings and the deduction would no longer reflect the overall cost of council tax.

4.3 Additional Amendments

- Widowed Parent's Back Payment WG have made amendments to the regulations to disregard any payment under this scheme or the Bereavement Support Payment from an applicant's capital.
- Compensation and Support Payments Applicants who receive compensation or support payments in relation to the Post Office Horizon System, the Vaccine Damage Payment Scheme, or the Infected Blood Inquiry will also be disregarded from the calculation of an applicant's capital under the scheme.

4.4 Discretionary Elements for Council Decision

Council are recommended to adopt the following three discretionary elements of the scheme:

- not to increase the standard extended payment period of 4 weeks Council Tax Reduction to applicants, after they return to work when they have been in receipt of a relevant qualifying benefit.
- disregard 100% of the War Disablement pensions and War Widows Pensions when calculating income
- not to increase the CTR maximum backdate period beyond the standard 3 months

5. How does the decision contribute to the Corporate Priorities?

Adopting this scheme will help vulnerable people, ensuring they are able to live as independently as possible, reduce homelessness and child poverty. If the uprating figures were not adopted, the eligibility criteria would be out of date, with earning thresholds no longer reflecting the overall cost of council tax. Applicants would be disadvantaged by reducing or stopping their entitlement to support. It could also cause confusion for applicants and increase the administrative burden for the Local Authority and local support providers.

6. What will it cost and how will it affect other services?

£8.815m has been identified in the settlement for Denbighshire for Council Tax Support from the Welsh Government (£8.769m last year). However current expenditure is £10.817m and if the Net Council Tax increased by 9.53% (i.e the councils current proposed increase) the forecast expenditure for 2024/25 is circa £11.848m. This gives a shortfall of around £3.033m for 2024/25 for which budgetary provision has been made since 2013 and further £350k additional provision has been proposed as part of the budget proposals for 2024/25.

7. What are the main conclusions of the Well-being Impact Assessment?

A Well-being Impact Assessment has not been completed for this report as the proposal is for the extension of the current scheme which was consulted on in 2012. There are no material changes proposed (and no changes to the discretionary elements), however it is a legal requirement that the scheme is formally approved by Council on an annual basis.

8. What consultations have been carried out with Scrutiny and others?

Not applicable as this is an extension of the current scheme, which was consulted on in 2012.

9. Chief Finance Officer Statement

The Council is required to adopt a reduction scheme annually. As funding for CTRS has remained static, or reduced across Wales for a number of years the impact of Council Tax

rises on the reduction scheme has to be funded locally. The proposals in this report have been included as part of the budget proposals for 2024/25.

10. What risks are there and is there anything we can do to reduce them?

There are risks to the Council in not adopting this scheme, in that Denbighshire CC would then have to adopt the default scheme, which may increase the total cost.

11. Power to make the decision

Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013.

The Council Tax Reduction Scheme (Default Scheme) (Wales) Regulations 2013.

Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2024.