

Constitutional and Legislative Affairs Committee

Meeting Venue:
Committee Room 4 – Ty Hywel

Meeting date:
17 December 2012

Meeting time:
14:30

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



For further information please contact:

Gareth Williams
Committee Clerk
029 2089 8008/8019
CLA.Committee@wales.gov.uk

Ruth Hatton
Deputy Committee Clerk
029 2089 8019

Agenda

- 1. Introduction, apologies, substitutions and declarations of interest**
- 2. Instruments that raise issues to be reported to the Assembly under Standing Order 21.2 or 21.3**

Affirmative Resolution Instruments

CLA198 – The Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2012 (Pages 1 – 5)
Item 2.1

CLA198 The Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2012

Affirmative Procedure. Date made not stated Date laid not stated. Coming into force not stated

CLA(4)–27–12 Paper 1– Legal Advisers Report

CLA197 – The Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2012 (Pages 6 – 9)
Item 2.2

CLA197 – The Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2012

Affirmative Procedure. Date made not stated Date laid not stated. Coming into force date not stated.

CLA(4)-27-12 Paper 2 – Legal Advisers Report

Additional Papers to note (Pages 10 – 19)

Papers:

CLA(4)-27-12 Paper 3 – Letter to Chair from Minister for Local Government and Communities, 5 November 2012.

CLA(4)-27-12 Paper 4 – Letter from Chair to Minister for Local Government and Communities, 9 November 2012

CLA(4)-27-12 Paper 5 – Letter from Finance Minister and Leader of the House, 12 December 2012

CLA(4)-27-12 Paper 6 – Welsh Government Note for the Constitutional and Legislative Affairs Committee

Transcript

View the [meeting transcript](#).

Constitutional and Legislative Affairs Committee Draft Report

Title: The Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2012

These Regulations set out the practical framework within which council tax reduction schemes will operate in Wales after the abolition of the current council tax benefit system. These Regulations make provision for local authorities to adopt council tax reduction schemes which incorporate a limited range of discretionary elements to provide support for council tax.

In line with the provisions in the Local Government Finance Act 2012 (the Act) which amend the Local Government Finance Act 1992, the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2012 (“the prescribed requirements regulations”) and the Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2012 (“the default scheme regulations”) will govern the introduction and operation of council tax reduction schemes in Wales.

Section 13A of the Local Government Finance Act 1992 (“the 1992 Act”), substituted by section 9 of the Local Government Finance Act 2012, enables the Welsh Ministers to make regulations in connection with council tax reduction schemes. These Regulations require each billing authority in Wales to make a scheme specifying the reductions which are to apply to amounts of council tax payable by persons, or classes of person, considered to be in financial need. Paragraphs 2 to 7 of Schedule 1B to the 1992 Act enable the Welsh Ministers to prescribe by regulations, matters that must be included in a scheme together with additional requirements which must or must not be included in a scheme.

Part 1 of these Regulations contains introductory provisions and definitions of key words and phrases. Part 2 makes provision about scheme requirements in relation to billing authorities in Wales, including classes of persons, reductions and scheme procedural requirements. Part 3 prescribes classes of person who must be included in an authority’s scheme. Part 4 prescribes classes of person who must not be included in an authority’s scheme.

Part 5 and Schedules 1 to 5 prescribe the matters that must be included in an authority’s scheme in relation to pensioners. Schedules 1 to 5 set out the rules relevant to determine the eligibility of pensioners for a reduction and

the amount of reduction under a scheme, and set out how income and capital of pensioners is to be treated in calculating eligibility for a reduction.

Part 5 and Schedules 6 to 10 prescribe the matters that must be included in an authority's scheme in relation to persons who are not pensioners. 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 a scheme, and set out how income and capital of non-pensioners is to be treated in calculating eligibility for a reduction, including in cases where a non-pensioner or partner has an award of universal credit.

Schedule 11 provides for the application of the scheme to students.

Part 5 and Schedules 12 to 14 contain matters that must be included in an authority's scheme in respect of all applicants.

Procedure: Affirmative

Technical Scrutiny

Under Standing Order 21.2 the Assembly is invited to pay special attention to the following instrument:–

1. These Regulations have not been made bilingually.

[Standing Order 21.2(ix) – that it is not made or to be made in both English and Welsh].

Paragraph 5 of the Explanatory memorandum gives an explanation as to why these Regulations have not been made bilingually:

“Because of the length and technical complexity of the regulations, the timeframes within which they have been compiled and the fact that they draw on council tax benefit regulations for which there is no existing translation, it has not been possible to arrange for the Regulations to be provided in Welsh.”

2. On pages 96 and 97, (Schedule 6, Paragraph 19) references are made to regulations 75(1)(a)(ii), 75(1)(a)(iv) and 75(1)(b)(ii) of the Jobseeker's Allowance Regulations 1996. In fact these references should be to 75(1)(a) and 75(1)(b) instead.

[Standing Order 21.2 (vi) – that its drafting appears to be defective or it fails to fulfil statutory requirements]

3. This reporting point is the same as the above but it occurs in a different part of the text. On page 109 (Schedule 6, paragraph 30) reference is made to regulation 75(1)(a)(ii), 75(1)(a)(iv) and 75(1)(b)(ii) of the Jobseeker’s Allowance Regulations 1996. In fact these references should be to 75(1)(a) and 75(1)(b) instead.

[Standing Order 21.2 (vi) – that its drafting appears to be defective or it fails to fulfil statutory requirements].

4. On page 134 (Schedule 8, paragraph 18(c)) reference is made to regulation 18(3) of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002. This provision has in fact been repealed by regulation 2(19) of the Tax Credits (Miscellaneous Amendments) Regulations 2012. This provision allowed claimants to a further benefit/reduction in Council Tax.

[Standing Order 21.2 (vi) – that its drafting appears to be defective or it fails to fulfil statutory requirements].

Merits Scrutiny

Under Standing Order 21.3 the Assembly is invited to pay special attention to the following instrument:–

1. Two sets of Council Tax regulations have been laid for approval, the prescribed requirement regulations and the default scheme regulations. The prescribed requirement regulations make provision for requirements for local schemes to be made by individual local authorities in Wales, as well as specifying a number of areas of local discretion. The default scheme regulations will take effect if local authorities choose not to adopt their own schemes or they do not adopt schemes within the required time.

If local authorities wish to adopt their own schemes under the prescribed requirements regulations, then regulation 13 states “*each authority in Wales must make a scheme no later than the 31st January 2013, and the first financial year to which that scheme relates must be the year beginning 1 April 2013*”. Unless Local Authorities have already begun preparations of their own for the schemes then they only have a very limited period of time to adopt their own schemes.

The type of changes and work required that is envisaged for Local Authorities to adopt their own schemes is identified on pages 12 and 13 of the Explanatory Memorandum which contains a table setting out the estimated costs for moving from the existing council tax benefit system to a new scheme (transition costs). Examples include alterations to each local authority's IT system, modelling new software, training of staff and publicising the new schemes via a range of media channels.

2. Both sets of regulations were re-tabled on 12th December 2012. The substantive amendment to the prescribed requirements regulations was that a "sun-set" clause was inserted in to regulation 1. Regulation 1(3) states "*These Regulations apply in relation to the financial year beginning on 1 April 2013.*" This limits the application of these Regulations and they will cease to have effect on midnight on 31st March 2014. Regulation 1(4) states "*On or before 1 January 2014 the Welsh Ministers must publish draft regulations under section 13A(4) of the 1992 Act in respect of the financial year beginning 1 April 2014 and subsequent financial years.*" This means that the prescribed requirements regulations will be redrafted and published by or before the first of January next year. This will give the Assembly the opportunity to re-visit and scrutinise in good time any future draft prescribed requirements regulations. The explanatory memorandum has been amended to reflect the above changes (paragraphs 6, 7 and 8).

No amendments have been made to the Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2012 as none were required. The effect of paragraph 6(1)(e) of Schedule 1B to the Local Government Finance Act 1992 is that any default scheme prescribed in regulations will only apply in the event that a local authority fails to comply with any duty set out in regulations requiring authorities to introduce council tax reduction schemes. The Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2012 therefore have practical effect only during the period of the applicability of the prescribed requirements regulations which impose the duty to have a scheme, which by virtue of regulation 1(3) of those regulations is the financial year 2013-14.

3. The Regulatory Impact Assessment outlines the various options and possible outcomes of making these Regulations. Page 11 of the Explanatory Memorandum explains there is a funding shortfall from HM Treasury which means that from now on, persons claiming support

under the council tax reduction scheme will have to pay a proportion of their own council tax bill. The Explanatory Memorandum states that *“due to the funding available, the new scheme will mean that approximately 70% of current Council Tax Benefits (CTB) claimants in Wales will have to pay council tax for the first time and as a result local authorities are expecting that their council tax collection rates could fall and the costs of collecting this additional council tax could rise”*. It is estimated that collection rates are expected to fall up to 1.5%.

Legal Advisers

Constitutional and Legislative Affairs Committee
December 2012

Government response to follow

Agenda Item 2.2

Constitutional and Legislative Affairs Committee Draft Report CLA

Title: The Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2012

These Regulations made under the Local Government Act 1992 ('the 1992 Act') detail the default scheme that will take effect if any local authority in Wales fails to adopt its own council tax reduction scheme under the Council Tax Reduction Schemes (Prescribed Requirements) (Wales) Regulations 2012 ('the Prescribed Requirements Regulations') by 31 January 2013.

These Regulations therefore have practical effect only during the period of the applicability of the Prescribed Requirements Regulations which impose the duty to have a scheme which by virtue of regulation 1(3) of those Regulations is the financial year 2013-14.

The default scheme prescribed by the Welsh Ministers is set out in the Schedule to these Regulations. Parts 1 and 2 contain introductory provisions and definitions of key words and phrases.

Part 3 and Schedule 1 contain the procedure for reduction applications and appeals. Parts 4 and 5 specify the classes of person entitled and not entitled to a reduction under the scheme, respectively.

Parts 6 to 8 and Schedules 2 and 3 set out matters relevant to determining eligibility for a reduction and the amount of reduction under the scheme.

Part 9 and Schedules 4 to 9 set out how income and capital of the applicant and others is treated in calculating eligibility for a reduction, including in cases where an applicant or partner has an award of universal credit.

Part 10 provides for the application of the scheme to students. Part 11 provides for extended reductions in certain circumstances and Part 12 sets out the period of entitlement and how a change in circumstances affects any reduction.

Part 13 of the scheme provides for the making of an application for a reduction. Part 14 sets out the time within which an authority must make its decision on the application and provides for notification of the decision. Part 15 makes provision about the award or payment

Procedure: Affirmative

Technical Scrutiny

Under Standing Order 21.2 the Assembly is invited to pay special attention to the following instrument:-

1. These Regulations have not been made bilingually.

[Standing Order 21.2(ix) – that it is not made or to be made in both English and Welsh].

Paragraph 4 of the Explanatory Memorandum gives an explanation as to why these Regulations have not been made bilingually:

“Because of the length and technical complexity of the regulations, the timeframes within which they have been compiled and the fact that they draw on council tax benefit regulations for which there is no existing translation, it has not been possible to arrange for the Regulations to be provided in Welsh.”

2. On Page 52, Chapter 5, Paragraph 53 4 (c) of the Scheme set out in the Schedule to these Regulations reference is made to regulation 75 (1)(a) (ii), 75 (1) (a)(iv) and 75 (1)(b) (ii) of the Jobseeker’s Allowance Regulations 1996. In fact these references should be to 75 (1)(a) and 75(1)(b) instead.

[Standing Order 21.2 (vi) – that its drafting appears to be defective or it fails to fulfil statutory requirements]

3. This reporting point is the same as the above but it occurs in the different part of the text. On pages 65, 66 Chapter 7, Paragraph 6 (b) reference is made to regulation 75 (1)(a)(ii), 75 (1)(a)(iv) and 75 (1)(b)(ii) of the Jobseeker’s Allowance Regulations 1996. In fact these references should be to 75 (1)(a) and 75 (1)(b) instead.

[Standing Order 21.2 (vi) – that its drafting appears to be defective or it fails to fulfil statutory requirements].

4. On page 133 (Schedule 6, paragraph 18 (c) to the Scheme reference is made to regulation 18(3) of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002. This provision has in fact been repealed by regulation 2(19) of the Tax Credits (Miscellaneous Amendments)

Regulations 2012. This provision allowed claimants to a further benefit/reduction in Council Tax.

[Standing Order 21.2 (vi) – that its drafting appears to be defective or it fails to fulfil statutory requirements].

Merits Scrutiny

Under Standing Order 21.3 the Assembly is invited to pay special attention to the following instrument:–

1. Two sets of Council Tax regulations have been laid for approval, the Prescribed Requirements Regulations and the default scheme regulations. The Prescribed Requirements Regulations make provision for requirements for local schemes to be made by individual local authorities in Wales, as well as specifying a number of areas of local discretion. The default scheme regulations will take effect if local authorities choose not to adopt their own schemes or they do not adopt schemes within the required time.

If local authorities wish to adopt their own schemes under the Prescribed Requirements Regulations then regulation 13 states “*each authority in Wales must make a scheme no later than the 31st January 2013, and the first financial year to which that scheme relates must be the year beginning 1 April 2013*”. Unless Local Authorities have already begun preparations of their own for the schemes then they only have a very limited period of time to adopt their own schemes. The type of changes and work required that is envisaged for Local Authorities to adopt their own schemes is identified on page 12 and 13 of the Explanatory Memorandum of the Prescribed Requirements Regulations which contains a table setting out the estimated costs for moving from the existing council tax benefit system to a new scheme (transition costs). Examples include alterations to each local authority’s IT system, modelling new software, training of staff and publicising the new schemes via a range of media channels.

2. Both sets of Regulations were re-tabled on 12th December 2012. The substantive amendment to the Prescribed Requirements Regulations was that a “sun-set” clause was inserted in to regulation 1. Regulation 1(3) states “*These Regulations apply in relation to the financial year beginning on 1 April 2013.*” This limits the application of the Prescribed Requirements Regulations and they will cease to have effect on midnight on 31st March 2014. Regulation 1(4) states “*On or before*

1 January 2014 the Welsh Ministers must publish draft regulations under section 13A(4) of the 1992 Act in respect of the financial year beginning 1 April 2014 and subsequent financial years.” This means that the Prescribed Requirements Regulations will be redrafted and published by or before the first of January next year. This will give the Assembly the opportunity to re-visit and scrutinise in good time the Prescribed Requirements Regulations in a years’ time. The explanatory memorandum of the Prescribed Requirements Regulations has been amended to reflect the above changes (paragraphs 6, 7 and 8).

No amendments have been made to the Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2012 as none were required. The effect of paragraph 6(1)(e) of Schedule 1B to the Local Government Finance Act 1992 is that any default scheme prescribed in regulations will only apply in the event that a local authority fails to comply with any duty set out in regulations requiring authorities to introduce council tax reduction schemes. The Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2012 therefore have practical effect only during the period of the applicability of the Prescribed Requirements regulations which imposes the duty to have a scheme, which by virtue of regulation 1(3) of those regulations is the financial year 2013–14.

3. The Regulatory Impact Assessment outlines the various options and possible outcomes of making the Prescribed Requirements Regulations. Page 11 of the Explanatory Memorandum explains there is a funding shortfall from HM Treasury which means that from now on, persons claiming support under the council tax reduction scheme will have to pay a proportion of their own council tax bill. The Explanatory Memorandum states that *“due to the funding available, the new scheme will mean that approximately 70% of current Council Tax Benefits (CTB) claimants in Wales will have to pay council tax for the first time and as a result local authorities are expecting that their council tax collection rates could fall and the costs of collecting this additional council tax could rise”*. It is estimated that collection rates are expected to fall up to 1.5%.

Legal Advisers

Constitutional and Legislative Affairs Committee

December 2012

Government response to follow

Agenda Item 2.3

Carl Sargeant AC / AM
Y Gweinidog Llywodraeth Leol a Chymunedau
Minister for Local Government and Communities



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref

David Melding AM,
Chair of the Constitutional and
Legislative Affairs Committee
29 High Street
Barry
CF62 7EB

5h November 2012

I am writing to you in relation to two sets of Regulations; the Council Tax Reduction Schemes (Default Scheme) (Wales Regulations) and the Council Tax Reduction Schemes (Prescribed Requirements) (Wales Regulations); in order to apprise you of the timing issues that we are facing in respect of laying these Regulations.

As a result of these constraints, which I set out in detail below, and the significant impact for local authorities if the Regulations are not able to come into force by 1st December, I am writing to ask whether you would be prepared to agree a date upon which the Constitutional and Legislative Affairs Committee will receive these Regulations for consideration and to agree a further date by which the Committee will prepare its report in respect of the same.

The Local Government Finance Act 2012

As you are aware I sought amendments to the Local Government Finance Act (the Act) to equip Welsh Ministers with executive powers to introduce council tax reduction schemes in Wales via secondary legislation, in order to replace the existing council tax benefit system that is being abolished by the UK Government. A Legislative Consent Motion on the provisions of the Bill that were within the legislative competence of the National Assembly for Wales (NAW) was approved by the Assembly on 26th June.

Whilst the Bill was supposed to achieve Royal Assent before the summer recess, it was ultimately deferred due to a number of outstanding issues within the Bill, most of which did not concern the provisions relating to the introduction of council tax reduction schemes. It received Royal Assent on 1st November.

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

English Enquiry Line 0845 010 3300
Llinell Ymholiadau Cymraeg 0845 010 4400
Correspondence: Carl.Sargeant@wales.gsi.gov.uk
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In line with the provisions in the Act and, subject to the will of Parliament, I intend to bring forward two main sets of Regulations which will govern the operation of council tax reduction schemes in Wales. These Regulations are designed to ensure that councils introduce some form of council tax support.

- The first set of Regulations (the "prescribed requirements Regulations") will place a duty upon local authorities in Wales to introduce a council tax reduction scheme in their area by the 31st January 2012. These Regulations will prescribe elements which local authorities must include within the schemes they introduce, but will also permit a limited amount of local discretion.
- The second set of Regulations (the "default scheme Regulations") will set out in full the council tax reduction scheme that will take effect in any local authority area in the event that a local authority does not adopt its own scheme by 31st January 2013. This date has been set so that any reductions enabled by the schemes can be reflected within the calculation of council tax liability prior to the council tax bills for 2013-2014 being issued.

Timing Concerns

In order for local authorities to make their preparations to adopt their local schemes by 31st January 2013, which, in accordance with the prescribed requirements Regulations, they are required to consult on, it is considered necessary that both sets of Regulations will have to come into force by 1st December. As both sets of Regulations are subject to the affirmative procedure this requires there to be a plenary debate on them by the 27th November at the latest.

However for a plenary debate to be held on the 27th November, in order to comply with Standing Orders the latest date that the Regulations could be laid on is 6th November and due to circumstances outside of my control it is becoming increasingly likely that the Regulations will not be finalised by the 6th November. There are three main reasons for this:

- **The financial transfer.** The approach in Wales relies on a single national framework scheme, which rebates a maximum percentage of an applicant's council tax liability, and the maximum percentage rebate will be calculated to take into account the shortfall in funding provided by the UK Government. This maximum percentage figure must be specified within the Regulations. However, whilst DWP and HMT have provided provisional funding figures, the transfer may not be finalised until the Autumn Statement scheduled for 5th December. Therefore the actual shortfall – and the final percentage to be set in the Regulations – might not be known until this date.
- **Finalising the Regulations.** Preparing the Regulations has been a highly complex and demanding task requiring detailed knowledge of the UK benefit system. It has therefore been necessary to rely on many of the previous elements of the old Council Tax Benefit Regulations, and to replicate them, with amendments, in new Regulations. The Regulations also need to take account of the introduction of Universal Credit, which is being developed by central government. To assist in developing the technical aspects of the scheme, such as the method to be adopted in calculating income, my officials have had to have regard to the draft Regulations which England are preparing, as they have the benefit of the input of colleagues in DWP. In order to finalise the Wales Regulations my officials had hoped to see finalised versions of the England Regulations by the end of October however, these have been delayed.

Implications if the Regulations cannot come into force by 1st December

If it is not possible for the Regulations to come into force by the 1st December there will be significant adverse implications for local authorities, and potentially for claimants. It will reduce the time in which local authorities will be required to introduce their schemes, including the time available to undertake local consultation, and depending on when the Regulations come into force, it may prove impossible for them to meet the 31st January 2013 deadline.

In that instance it may be necessary to revisit the Regulations with a view to delaying this implementation date. This however, will impact on the authorities' ability to issue council tax bills which has severe financial implications for local authorities. Furthermore it is likely to mean that current CTB claimants who will experience a change in the level of assistance they receive with their council tax bills will have less notification of the financial impact. As a result I am extremely keen to avoid a situation whereby these Regulations have to be delayed.

Mitigating the timing issues

I have sought advice on how the timing issues could be mitigated and have been advised that if the Constitutional and Legislative Affairs Committee was prepared to agree in advance a date upon which the Committee will receive and consider the Regulations, after the 6th November, and the date by which the Committee will prepare its report, then a later laying date could be achieved as in that instance it would not be necessary to observe the 20 day period before the holding of the plenary debate. In order to assist the Committee in considering these Regulations my officials would be happy to provide a technical briefing.

While I recognise that this is an unusual request, given the significant challenges we are facing in ensuring a viable replacement scheme is in place prior to the abolition of council tax benefit, I hope that it is one that you are prepared to consider.

Welsh Language Regulations

Finally I would like to give you prior notice that Welsh language versions of the Regulations will not be produced and that this may extend to all of the Regulations drafted to bring the new schemes into effect.

While this is extremely regrettable, given the very short timescales within which it has been necessary to produce the draft Regulations together with their length and complexity and the fact that the current CTB Regulations are only available in English so there is no existing translation to assist the translators, Legislative Translation Services have advised my officials that it is not possible to translate the Regulations into Welsh within the timescales required. In fact I am advised that in order for the Legislative Translation Services to have been in a position to have provided translated version of the Regulations, due to their length and complexity they would have had to have received finalised versions of both sets of Regulations by the May 2012. At that time we had not secured powers within the Bill to introduce Regulations in Wales.

The use of an external translator has also been considered, however there are only a limited number of translators who undertake legislative translation and they too are unable to translate the Regulations into Welsh within the timescales required. My officials will discuss the possibility of one of the local authorities in Wales providing a Welsh translation of the Regulations for everyday use, but even if they are willing to do this it is unlikely that such a translated version of the Regulations would be finalised before next year.

I will also be writing in similar terms to the Chair of the Communities, Equality and Local Government Committee.

A handwritten signature in black ink, appearing to read 'Carl Sargeant'.

Carl Sargeant AC / AM

Y Gweinidog Llywodraeth Leol a Chymunedau
Minister for Local Government and Communities

**Y Pwyllgor Materion Cyfansoddiadol a Deddfwriaethol
Constitutional and Legislative Affairs Committee**

Carl Sargeant AM
Minister for Local Government and Communities
Welsh Government
5th Floor, Tŷ Hywel
Cardiff Bay
CF99 1NA

Cynulliad
Cenedlaethol
Cymru
National
Assembly for
Wales



9 November 2012

Dear Carl

**The Council Tax Reduction Schemes (Default Scheme) Wales Regulations
and the Council Tax Reduction Schemes (Prescribed Requirements) Wales
Regulations**

Thank you for your letter of 5 November about the above Regulations.

I appreciate the difficulties you face as you have outlined in your letter. We will always endeavour to work flexibly to assist the Welsh Government and, as such, to consider Statutory Instruments in a shorter period than the 20 days set by standing orders (particularly where the instrument in question is short or we have considered it in draft). However, we must also balance this approach against our obligations to scrutinise legislation effectively and in an open and transparent way.

I understand that each set of Regulations is some 200 pages long and, as you indicate in your letter, that they are complex in nature. Furthermore, it is not expected that the Regulations will be laid before the National Assembly until the 15 or 16 November.

Regrettably, for these reasons, I cannot guarantee that the Committee will be in a position to consider and report on these Regulations within the timeframe proposed by your letter.

Bae Caerdydd
Caerdydd
CF99 1NA

Cardiff Bay
Cardiff
CF99 1NA

Ffôn / Tel: 029 2089 8154
E-bost / Email: olga.lewis@wales.gov.uk

Nevertheless, please be assured that as soon as the Regulations are laid before the National Assembly, they will be reviewed and brought to the attention of the Committee as soon as possible.

I am copying this letter to the Chair of the Communities, Equality and Local Government Committee.

Yours sincerely

A handwritten signature in black ink that reads "David Melding". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

David Melding AM
Chair



Eich cyf/Your ref
Ein cyf/Our ref
All Assembly Members

12 December 2012

Dear Colleague,

I am writing to inform you that I have today laid the amended Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2012. These Regulations and their Explanatory Memoranda are available on the Documents Laid page of the National Assembly for Wales' website at <http://www.assemblywales.org/bus-home/bus-business-fourth-assembly-laid-docs.htm>.

The amendments that have been made to the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2012 from those that were laid on 5 December 2012 are set out below:-

- 1(3) These Regulations apply in relation to the financial year beginning on 1 April 2013.
- 1(4) On or before 1 January 2014 the Welsh Ministers must publish draft regulations under section 13A(4) of the 1992 Act in respect of the financial year beginning 1 April 2014 and subsequent financial years.

The practical effect of the sunset clause in regulation 1(3), and the duty to publish a new set of draft regulations by 1 January 2014 in regulation 1(4), is to ensure that Welsh Ministers will bring forward subsequent regulations in good time, to enable full scrutiny of future schemes to take place in good time for their introduction.

The Explanatory Note to the Prescribed Requirements Regulations and the accompanying Explanatory Memorandum have also been revised to reflect these changes.

I have also re-laid the Council Tax Reduction Schemes (Default Scheme) (Wales Regulations) Regulations 2012. No amendments have been made to these Regulations as none are required. The effect of paragraph 6(1)(e) of Schedule 1B to the Local Government Finance Act 1992 is that any default scheme prescribed in regulations will only apply in the event that a local authority fails to comply with any duty set out in regulations requiring authorities to introduce council tax reduction schemes. The Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2012 therefore have practical effect only during the period of the applicability of the Prescribed Requirements regulations which imposes the duty to have a scheme, which by virtue of regulation 1(3) of those regulations is the financial year 2013-14.

The Explanatory Note to the Default Scheme regulations has been updated to clarify this point and it is detailed further in the accompanying Explanatory Memorandum.

A handwritten signature in black ink on a light-colored background. The signature is written in a cursive style and reads "Jane".

Jane Hutt AC / AM

Y Gweinidog Cyllid ac Arweinydd y Ty
Minister for Finance and Leader of the House

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To:
From:

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CC:

Ext
Fax

Date:

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Note for Constitutional & Legislative Affairs Committee

1. This document provides an overview of the amendments that have been made to the Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2012 and the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2012 and their accompanying Explanatory Memoranda, following the amendments made to insert a sunset clause.

Amendments Made To the Prescribed Requirements Regulations

2. As a result of the First Minister's request the following amendments have been made to the Prescribed Requirements regulations:
 - Insertion of Regulation 1(3) which limits the applicability of the regulations to the financial year 2013-14;
 - Insertion of Regulation 1(4) which places a duty on Welsh Ministers to publish a new draft set of regulations on or before 1 January 2014 that will make provision for subsequent financial years;
 - Revision of the Explanatory Note to refer to the new regulations
3. Paragraphs 6-8 have also been inserted to the Explanatory Memorandum explaining the purpose and intended effect of Regulation 1(3) and 1(4)
4. As a result of making amendments to limit the applicability of the regulations to one financial year it has been necessary to make the following minor amendments to the regulations:
 - Minor amendment to regulation 13 to specify that the financial year to which the scheme made under the regulations is to relate, is to be the financial year beginning on 1st April 2013.
 - Deletion of regulation 17 which relates to a duty to review schemes on an annual basis and amend/replace schemes if necessary. As the regulations are to be limited to one year, this regulation is no longer appropriate.

Amendments Made to the Default Scheme Regulations

5. No amendments have been made to the Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2012 as none are required.
6. By virtue of paragraph 6(1)(e) of Schedule 1B to the Local Government Finance Act 1992, a default scheme will only apply in the event that an authority fails to comply with any duty set out in regulations requiring an authority to introduce a council tax reduction scheme. Therefore, if the regulations requiring the introduction of a scheme are applied only for a limited time, as is the case in relation to the Council Tax Reduction Schemes and Prescribed Requirement (Regulations) 2012 (regulation 1(3)), then the default scheme regulations only have practical effect during that time.

7. To clarify this point a paragraph has been inserted into the Explanatory Memorandum for the Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2012 at paragraph 3:
8. The first paragraph of the Explanatory Note to the Default Scheme Regulations has also been amended to highlight this point.

Equality Impact Assessment & Summary of Consultation Responses

9. When the Explanatory Memoranda were tabled on 5th December the Equality Impact Assessment and summary of consultation responses were provided as separate annexes and were accidentally not tabled alongside these documents. As a result they have been inserted into the Explanatory Memoranda and appear as annexes to the document – this has increased their length by approximately 70 pages.