

Explanatory Memorandum to the Council Tax Reduction Schemes (Transitional Provisions) (Wales) Regulations 2013.

This Explanatory Memorandum has been prepared by the Local Government Finance & Performance Division and is laid before the National Assembly for Wales in conjunction with the above subordinate legislation and in accordance with Standing Order 27.1.

Minister's Declaration

In my view, this Explanatory Memorandum gives a fair and reasonable view of the expected impact of the Council Tax Reduction Schemes (Transitional Provisions) (Wales) Regulations 2013.

Carl Sargeant

Minister for Local Government & Communities

17 January 2013

Description

1. This statutory instrument makes provisions to allow current claimants of council tax benefit to be automatically transferred to the new council tax reduction scheme without having to make a new application.

Matters of special interest to the Constitutional and Legislative Affairs Committee

2. Given the complexity of the regulations, the timescales in which they have been produced, and the fact that there is no existing Welsh equivalent, it has not been possible to translate the regulations within the necessary timescales. As a result these regulations will be made in English only.
3. There are no other matters of special interest to the committee.

Legislative background

4. Section 9 to, and Schedule 4 of, the Local Government Finance Act 2012 insert a new Section 13A and new Schedule 1B into the Local Government Finance Act 1992. These new provisions provide Welsh Ministers with executive powers to introduce council tax reduction schemes in Wales, via regulations.
5. The relevant provisions in the Local Government Finance Act 2012 were subject to a Legislative Consent Motion which was approved by the National Assembly for Wales on 26th June 2012. The Local Government Finance Act 2012 received Royal Assent on 1 November 2012.
6. This statutory instrument is being made under the new section 13A of, and the new Schedule 1B to, the Local Government Finance Act 1992.
7. The instrument is subject to the approval of the National Assembly for Wales (the affirmative resolution procedure).

Purpose and intended effect of the legislation

8. The Welfare Reform Act 2012 contains provisions to abolish Council Tax Benefit from 31 March 2013. From this date the responsibility to provide support for council tax and the funding associated with it, will be devolved to local authorities in England, to the Scottish Government and to the Welsh Government.
9. In line with the provisions in the Local Government Finance Act 2012 regulations will govern the operation of council tax reduction schemes in Wales and these are designed to ensure that all local authorities introduce some form of council tax support.
10. The Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2012 and the Council Tax Reduction Scheme and Prescribed Requirements

(Wales) Regulations 2012 (the 2012 Regulations) were approved by the National Assembly for Wales on the 19th December 2012.

11. This statutory instrument sets out the transitional provisions that will apply to people who have made an application for, or are in receipt of, council tax benefit, when the new council tax reduction schemes come into effect.
12. The intention is to ensure that these groups of people do not have to make an application for a reduction under the new council tax reduction schemes, and instead their claims can be automatically transferred over onto the new system.
13. The transitional provisions cover:
 - A person in receipt of council tax benefit;
 - A person who has made an application to receive council tax benefit;
 - A person whose entitlement to council tax benefit is wholly or partially suspended;
 - A person who has applied for a revision in respect of a decision in relation to council tax benefit entitlement and the outcome of this revision is still pending;
 - A person who has appealed against a decision in relation to a claim for council tax benefit and whose appeal is still pending.
14. Under the existing council tax benefit regulations, claimants of pension age who have a change in circumstances which consists either or a non-dependant taking up residence with them, or there being a change in the circumstances of an existing non-dependant's, which affects the amount of support they receive, are given a 26 week grace period before the impact of those changes come into effect. This provision is also included under the council tax reduction scheme regulations.
15. However transitional arrangements need to be put in place so that council tax benefit claimants who are within this 26 week grace period at the point of transferring to the new reduction schemes (on 1st April 2013) will remain within that grace period until it expires. This is provided for in regulation 5.
16. The statutory instrument also makes provision to simplify administrative arrangements for local authorities in relation to deemed applications (i.e. those made between the time this statutory instrument comes into force and the commencement of the council tax reduction scheme on 1st April). Regulation 6 removes the duty upon billing authorities to notify applicants of their duty to report any changes in their circumstances between the time an application is deemed to have been made and the determination of that application. This provision only applies to applications made before 1st April 2013 in accordance with the transitional provisions.

Consultation

17. No consultation has been undertaken in respect of this statutory instrument

Regulatory Impact Assessment (RIA)

18. No RIA has been prepared for this statutory instrument as it is considered that the instrument only facilitates technical and routine amendments. It has no major policy impact.