Eich cyf/Your ref
Efn cyf/Our ref: SF/CS/0874/13

Rosemary Butler AM
Presiding Officer and Chair of
Business Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

March 2013

Dear Rosemary,

The Council Tax (Administration and Enforcement) (Amendment No. 2) (Wales) Regulations 2013

I am writing to inform you that, for reasons beyond our control, in order to bring the Council Tax (Administration and Enforcement) (Amendment No. 2) (Wales) Regulations 2013 into force in Wales by 1 April 2013, it will be necessary to breach the 21-day rule by one day.

These Regulations make provisions to ensure that local authorities continue to have access to information from HMRC for their council tax reduction schemes. They were previously referred to as the Council Tax Reduction Schemes (Information Sharing) (Wales) Regulations 2013 but these provisions have now been drafted via amendments to the Council Tax (Administration and Enforcement) Regulations 2013 ("the administration and enforcement regulations") rather than as a standalone set of regulations. The title of these amending regulations is the Council Tax (Administration and Enforcement) (Amendment No. 2) (Wales) Regulations 2013 ("the amending regulations"). While this decision not to proceed via standalone regulations has no legal effect, it is less complex operationally for local government practitioners as the existing administration and enforcement regulations already set out data-sharing provisions for other aspects of council tax.

The amending Regulations will also be utilised to broaden the penalty provisions within the administration and enforcement regulations to allow for the collection of penalties issued in accordance with the Council Tax Reduction Scheme (Detection of Fraud and Enforcement) (Wales) Regulations 2013 ("the detection of fraud regulations").
On 15 February, the Minister for Local Government and Communities wrote to leaders of the opposition parties informing them of potential issues that could impede the laying of these regulations. This included the requirement for consent to be formally provided by HMRC Commissioners before the regulations could be laid. Although formal consent has not yet been received it is on course to be secured by 11 March: this is the latest date on which the amending regulations could be laid and come into force by 1 April in compliance with the 21-day rule for the negative procedure.

However, in drafting the amending regulations, an interdependency has been identified. One of the prescribed purposes for which HMRC information can be provided is the detection and prevention of council tax offences. Therefore it is necessary to include a reference to the detection of fraud regulations on the face of the amending regulations. In addition, in order to extend the existing provisions dealing with the collection of penalties to include penalties introduced by the detection of fraud regulations, further cross-references are necessary. As such the amending regulations cannot be laid until the detection of fraud regulations have been made on 12 March, following the plenary debate on them (subject to the approval of the Assembly).

As a result, in order to bring the amending regulations into effect by 1 April, it will be necessary to breach the 21-day rule by one day. Although 1 April is a public holiday, it is considered necessary to have the amending regulations in place on this day because council tax benefit and its related legislation will be abolished on 31 March. The existing legal gateway that allows local authorities to access HMRC data for social security benefit purposes will not allow local authorities to utilise this data for council tax related purposes including the determining of a person's entitlement to a reduction under a council tax reduction scheme.

These Regulations have been subject to a Regulatory Impact Assessment. An Explanatory Memorandum has also been prepared which includes the Regulatory Impact Assessment and will be laid, together with the Regulations, in Table Office.

A copy of this letter will be issued to David Melding, Chair of the Constitutional and Legislative Affairs Committee and to members of the Business Committee.

Yours sincerely,

Jane Hutt AC / AM
Y Gweinidog dros Cyllid ac Arweinydd y Ty
Minister for Finance and Leader of the House