



David Melding AM
Chair, Constitutional & Legislative Affairs Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA

13 January 2014

Dear David,

Further to your letter of 4 December and my letter of 5 December, a copy of which I enclose for ease of reference, I note your comments in relation to the complexity of these Regulations. I readily acknowledge these Regulations are complex, however, as I have said previously, this is because they replace an extremely complex, means-tested benefits system which had been developed over a period of 20 years by DWP. Any change to the details of the means-testing arrangements would affect the eligibility of individual households for support with their council tax bills, meaning some would inevitably receive less support than they do at present. The Regulations also form part of the wider legislative framework for welfare benefits. Consequently, whilst I agree simplifying the Regulations may be desirable in the longer term, any significant change, alongside Local Authorities continuing to process applications for Housing Benefit and certain passported benefits in accordance with the UK benefits regime, would result in additional complexity for applicants and significant administrative burden for Local Government and advice providers.

Nevertheless, as I outlined in my letter of 19 November, I have taken a number of steps to simplify the 2013 Regulations. This has been continued recently when laying the Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2014. For example, these Regulations incorporate amendments relating to persons regarded as having leave to remain in the United Kingdom for the purposes of determining entitlement to a reduction, thereby allowing these provisions to be extended to further categories of persons granted leave to remain or the right to reside in the United Kingdom without the need for additional legislative amendments.

Please be assured, where feasible, I will continue to seek opportunities to simplify the Regulations. This will also be a consideration of the longer term review I have commissioned into the future of Council Tax Support.

In your letter, you refer to my comments during the debate in the Assembly on 26 November suggesting the 2013 Regulations are considerably shorter than the 2012 Regulations. I would like to clarify the comparison I was making was between the legislative framework for our new Council Tax Reduction Schemes and for the Council Tax Benefit system which it replaced, on the most like-for-like basis possible. It is not possible to make a direct comparison, however, the previous Council Tax Benefit legislation was set out in a great many different Statutory Instruments. In addition, the Council Tax Benefit system was underpinned by numerous Acts and Statutory Instruments governing the administration of social security benefits. The relevant administrative arrangements are also incorporated into our Regulations. As such, the 2013 Regulations represent a very considerable consolidation and simplification. However, I apologise if my comments during Plenary gave rise to any confusion.

Finally, I am very grateful for the recent assistance of the Committee in scrutinising the Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2014 to enable an earlier plenary debate thereby facilitating Local Authorities' adoption of their Schemes.

I will continue to ensure the Committee is kept fully updated as to the progress of the remaining sets of technical Council Tax Reduction Schemes Regulations still to be amended as a result of the sunset clause, as well as the work on the longer term review.

A handwritten signature in black ink that reads "Lesley Griffiths". The signature is written in a cursive style with a large, sweeping flourish at the end.

Lesley Griffiths AC / AM

Y Gweinidog Llywodraeth Leol a Busnes y Llywodraeth
Minister for Local Government and Government Business

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Llywodraeth Cymru
Welsh Government

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5 December 2013

Dear David

Further to my letter of 19 November, I am writing in relation to the Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2013 ("the amending Regulations"). As I have advised Members on a number of occasions, most recently during last week's plenary debate, these Regulations are required to amend the Regulations passed on 26 November to uprate the financial figures in line with cost-of-living increases. They will also address the technical points identified during scrutiny.

The calculation of the uprating is dependent on financial figures set out in the Chancellor's Autumn Statement, as well as the uprating schedule produced by the Department of Work and Pensions, for interrelated social security benefits, for example, Child Benefit and Savings Credit.

The Autumn Statement is being made on 5 December and the uprating schedule is being published by DWP on 9 December. Consequently, I will not be able to lay the amending Regulations until 9 December. This means the earliest a plenary debate could be held, in accordance with Standing Orders, is 28 January.


Whilst this does not present issues in relation to the Regulations themselves, it does pose practical challenges for Local Authorities as they must incorporate the uprated financial figures into their Council Tax Reduction Schemes. As you know, Local Authorities must consult on and adopt, their Schemes via full Council by 31 January 2014. Any Authority failing to adopt a Scheme will have the Default Scheme imposed.

There are no provisions in the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 to allow Local Authorities to make in-year changes to their Schemes. Therefore, there is no mechanism to ensure a Local Authority adopts the updated financial figures if a Council meeting to adopt its Scheme is held in advance of the Assembly debating the amending Regulations. This poses the risk not all Local Authorities will use the updated figures, meaning applicants from different areas may be treated differently and some applicants will be made worse off if cost of living increases are not reflected.

Local Authorities have been made aware of the timescales for making the amending Regulations and have been asked to ensure they have arrangements in place to incorporate the updated financial figures into their adopted Schemes.

However, in order to facilitate their preparations and to ensure all Local Authorities are able to adopt the updated figures, I would be grateful if the Constitutional and Legislative Affairs Committee would be willing to consider and report on the Regulations ahead of 28 January, to enable an earlier plenary debate to be arranged.

The amending Regulations are very much shorter than those approved on 26 November, running to approximately 13 pages, and my officials would be happy to engage with yours to support the scrutiny process. I would also be happy to share a copy of the draft Regulations with the Committee which I anticipate will be available by Friday afternoon, although these will only contain provisional figures.

Regards


Lesley Griffiths AC / AM
Y Gweinidog Llywodraeth Leol a Busnes y Llywodraeth
Minister for Local Government and Government Business