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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 (“the Prescribed Requirements Regulations”) and the Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2013 (“the Default Scheme Regulations”) made under section 13A(4) and (5) of, and Schedule 1B to, the Local Government Finance Act 1992.

The Prescribed Requirements 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 persons, whom the authority considers are in financial need. The Prescribed Requirements Regulations also set out the matters that must be included within such a scheme.

The Default Scheme Regulations set out a scheme that will take effect, in respect of dwellings situated in the area of a billing authority, if the authority fails to make its own scheme.

These Regulations amend both the Prescribed Requirements Regulations and the Default Scheme Regulations.

The amendments to the Prescribed Requirements Regulations made by regulations 4, 6(a)(i) to (v) and 7 increase certain figures that are used in calculating whether a person is entitled to a reduction and the amount of that reduction. The updated figures relate to non-dependent deductions (adjustments made to the maximum amount of reduction a person can receive to take account of adults living in the dwelling who are not dependents of the applicant); and the applicable amount in relation to an application for a reduction (the amount against which an applicant’s income is compared in order to determine the amount of reduction to which the applicant is entitled). The same amendments are made in relation to the Default Scheme Regulations by regulations 12, 14 and 15.

The amendments to the Prescribed Requirements Regulations made by regulations 5, 9(b) and 10(a) and (c) are made in consequence of a new social security benefit called Bereavement Support Payment (BSP) for surviving spouses and civil partners who are widowed on or after 6 April 2017. The amendments ensure that the various payments of BSP are disregarded in the calculation of income so that firstly, the initial larger payment and any arrears which are included in the first monthly payment are treated as capital, and a 12 month disregard is applied from the date of payment and secondly, subsequent smaller monthly payments (except for arrears) are treated as income and disregarded for a month. The same amendments are made to the Default Scheme Regulations by regulations 17(b), 18 and 19(a) and (c).

The amendments to the Prescribed Requirements Regulations made by regulations 9(a) and 10(b) are made in consequence of the change of name and transfer of functions from the Secretary of State for Health to the Secretary of State for Health and Social Care made by the Secretaries of State for Health and Social Care and for Housing, Communities and Local Government and Transfer of Functions (Commonhold Land) Order 2018. The same amendments are made to the Default Scheme Regulations by regulations 17(a) and 19(b).

The amendment to the Prescribed Requirements Regulations made by regulation 8 is intended to clarify the qualifying conditions for a disregard when an applicant is a member of a couple. It is intended to clarify that the person working must also be the person who meets the qualifying conditions by being the person who is—

- entitled to a disability premium, or

*Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

- is receiving the support component as part of their award of Employment and Support Allowance (ESA), or
- is in the work-related activity group for ESA.

The same amendment is made to the Default Scheme Regulations by regulation 16.

The amendments made to the Prescribed Requirements Regulations by regulations 3(b) and 6(b) are made in consequence of the imminent commencement of Part 1 of the Regulation and Inspection of Social Care (Wales) Act 2016 in relation to a fostering service within the meaning of that Act. The scheme by which foster parents are currently approved is set out in the Fostering Services (Wales) Regulations 2003 (“the 2003 Regulations”). However, those Regulations may be replaced by further Regulations made pursuant to sections 87 and 93 of the Social Services and Well-being (Wales) Act 2014 (“the 2014 Act”) during the next financial year. The amendment is made so as to ensure that foster parents approved under the 2003 Regulations or under any regulations made pursuant to sections 87 and 93 of the 2014 Act will be subject to provision made in the Prescribed Requirements Regulations in respect of the treatment of child care charges. Regulation 13 makes the same amendment in the Default Scheme Regulations.

The amendment to the Prescribed Requirements Regulations made by regulation 6(a)(vi) clarifies the position in respect of non dependent deductions so that no deduction will occur where a non dependent is not in the work related activity group and is in receipt of certain benefits, namely income support, state pension credit, an income-based jobseeker’s allowance or an income related employment and support allowance.

The Welsh Ministers’ Code of Practice on the carrying out of Regulatory Impact Assessments was considered in relation to these Regulations. As a result, a regulatory impact assessment has been prepared as to the likely costs and benefits of complying with these Regulations. A copy can be obtained from the Local Government Finance and Public Services Performance Division, Welsh Government, Cathays Park, Cardiff, CF10 3NQ.