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| **MEETING:** | **Full Council** |
| **DATE:** | **3 December 2026** |
| **CABINET MEMBER:** | **Councillor Huw Wyn Jones,<br>Cabinet Member for Finance** |
| **TITLE:** | **COUNCIL TAX REDUCTION SCHEME 2027/28** |
| **OBJECTIVE:** | **Confirm the continuation of the current Local Scheme for providing assistance towards paying Council Tax for the year beginning 1 April 2027** |
| **CONTACT OFFICER:** | **Dewi Morgan, Head of Finance** |

**DECISION SOUGHT**

1. **That Cyngor Gwynedd's Local Scheme for the year commencing 1 April 2027 continues as it was during 2026/27. Therefore, the following conditions (a – c below) regarding the discretionary elements will continue:**

   a) **To apply a 100% disregard for war disablement pensions, war widows' pensions and war widowers' pensions, for both pensioners and working age claimants.**

   b) **Not to increase the extended reduction periods for pensioners and working age claimants from the standard four weeks in the Prescribed Scheme.**

   c) **Not to increase the backdate period for pensioners and working age claimants from the standard three months contained within the Prescribed Scheme.**

2. **Where appropriate, to delegate powers to the Head of Finance, in consultation with the Cabinet Member for Finance, to make minor amendments to the scheme for 2027/28, on condition that it will not change the substance of the scheme.**

## 1. INTRODUCTION

1.1 The purpose of this report is to present arrangements for the implementation of the Council Tax Reduction Scheme and to approve it for 2027/28.

1.2 There is a statutory requirement for this report to be presented to a Full Council meeting on an annual basis, even if there has been no change in the scheme since the previous year. That is the case this year – no change is recommended to the scheme approved by full Council on 4 December 2025.

1.3 **Members are asked to note that this report is relevant to the Council Tax Reduction Scheme ONLY, a means-tested support scheme that must be formally claimed from the Benefit Service. THIS SCHEME, AND THIS REPORT, DO NOT Apply to any other Council Tax discount or exemption scheme (e.g. single person discount, empty property renovation exemption, student housing)**.

## 2. RELEVANT CONSIDERATIONS

2.1 In accordance with the *Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 (2013/3029)*, every local authority must make a scheme in order to determine which reductions will be available as support towards paying the Council Tax. Cyngor Gwynedd's current local scheme (i.e. for 2026/27) was adopted by the Full Council on 4 December 2025.

2.2 The Regulations insist that the Full Council must adopt the local Scheme every year, and must do so by 31 January before the start of the relevant financial year.

2.3 Under the local scheme, qualifying taxpayers may continue to receive a reduction up to 100% of their Council Tax bill (where in receipt of certain benefits).

2.4 The Cyngor Gwynedd Local Scheme for 2026/27 was approved by the Full Council on 4 December 2025. The Regulations control the implementation of reduction schemes across the whole of Wales and are designed to ensure that each local authority consistently provides support for Welsh taxpayers.

## 3. REDUCTION SCHEME FOR 2027/28

3.1 The Regulations (Regulation 18) state that **for each financial year, an authority must consider whether to revise its scheme** or to replace it with another scheme; the authority must make any revision to its scheme, or any replacement scheme, **no later than 31 January** in the financial year preceding that for which the revision or replacement scheme is to have effect.

3.2 The Regulations (Regulation 12) state that the function of making the scheme cannot be delegated to the Cabinet, and it **must be decided by the full Council**.

3.3 Therefore, the purpose of this report is to satisfy the requirement for the Council to consider whether to revise its local scheme.

3.4 There is limited discretion under the Prescribed Scheme for councils to consider the following 3 specific discretionary elements. Discretion can be used to make these elements more generous than the national scheme, but not less generous.

War disablement pensions, war widows' pensions and war widowers' pensions *(recommendation 2.1(a) above)*

3.5 There is discretion to increase the disregard for war disablement pensions, war widows' pensions and war widowers' pensions, for both pensioners and working age.

Presently, regulations provide that the first £10 of a weekly war disablement pension, war widows' pension and war widowers' pension are disregarded. However, local authorities have discretion to disregard up to 100% of the actual amount above the first £10. Since 1 April 1996 Cyngor Gwynedd, as have the majority of other Welsh Authorities, has resolved to disregard 100% of the war pensions above the £10. As a result, this sum has already been included within the base budget for 2026/27. In November 2026, there were 9 claimants benefitting from this discretion (there were 11 in November 2025).

It is recommended that this local discretion in Gwynedd continues.

Extended payment period for working age persons
*(recommendation 2.1(b) above)*

3.6 There is discretion to increase the standard extended payment period of 4 weeks given to people after they return to work, when they have been in receipt of a relevant qualifying benefit for at least 26 weeks.

There is no limit on the maximum period they may be extended to, but to extend this period would have financial implications. In 2026/27 up to mid-November, there have been no cases where "extended payments" had been awarded pursuant to the Prescribed Scheme (there were no cases in the same period in 2025/26 either).

It is recommended that the standard four week extended payment period contained within the Prescribed Scheme remains unaltered.

Backdating late applications
*(recommendation 2.1(c) above)*

3.7 There is discretion to increase backdates for late applications beyond the standard three months. There is no limit on the maximum period they may be extended to. The cost of granting backdated claims (3 months) for 2026/27 is estimated at £13,409, and up to mid-November 48 claims have been backdated to some extent in 2026/27. For the same period in 2025/26 there were 215 such claims with a cost of £10,075.

The current Council Tax Reduction Scheme only allows backdating for a maximum period of 3 months. Extending this period would increase the cost of the Scheme.

It is recommended that there should be no increase in the backdate period from the standard 3 months contained within the Prescribed Scheme.

**3.8 The recommendations above for 2027/28 are in line with current arrangements in 2026/27.**

## 4. CONSULTATION

4.1 Should the Council wish to revise its local scheme – in effect to amend the 3 areas of discretion described in paragraphs 3.5 to 3.7 – it would need to consult with "any persons who would have an interest".

4.2 In accordance with Regulation 18(6), further consultation is not necessary as there is no intention to change the Local Scheme this year.

## 5. EQUALITY IMPACT ASSESSMENT

5.1 As noted in Part 4 of this report, in the context of the Prescribed Scheme that is in place for Council Tax Reduction across the whole of Wales, the local discretion available to local authorities is very limited apart from three very specific areas.

5.2 The Welsh Government has undertaken a detailed regulatory impact assessment, which includes equality impact assessment. A local Equalities Impact Assessment study was conducted in 2013, when the arrangements changed from Council Tax Benefit to the Council Tax Reduction Scheme, and at that time the decision to introduce the local scheme was taken whilst recognising that this is a prescribed scheme with the burden being borne by all groups.

5.3 The Council needs to consider, is if the decisions sought in 2.1 a) – c) effect anyone with one or more of the protected equality characteristics in a way that is different to the general population. Other than funding at Council level, the scheme proposed for 2025/26 does not contain any significant changes from the scheme which is operational since 2013. An assessment undertaken when preparing this report suggests that the conclusions of the 2013 assessment remain valid and that these limited decisions that are sought will not effect any of the protected groups in a way that is different to the general population.

## 6. RESOURCES

6.1 On the basis of the end of August 2026 review, it is expected that the Council Tax Reduction Scheme will cost approximately £13.1m during 2026/27. This is approximately £198,000 below the budget set.

6.2 There is no choice other than to face the continuing cost of the Scheme, and the matter will be considered appropriately when drawing up the budget for 2027/28.

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**Local member's views**
Not relevant

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**Opinion of the Statutory Officers**

**Monitoring Officer:**
No observations to add from a propriety perspective.

**Head of Finance:**
I have collaborated with the Cabinet Member in the preparation of this report and I confirm the content.