

# MoneySavingExpert

## Response to the Welsh Government consultation: A Fairer Council Tax, Phase 2

MoneySavingExpert (MSE) welcomes the opportunity to respond to Phase 2 of this consultation. As with our response to Phase 1, we will focus our response on questions regarding the 'severely mentally impaired' (SMI) discount, as this is a key campaigning area for MSE.

To reiterate our campaigning history with the SMI discount, detailed in our Phase 1 response: In 2017, MSE published a report into the SMI council tax discount titled 'The Disregarded Discount'.<sup>1</sup> Within this, we laid out a series of recommendations to central and devolved governments, urging them to – among other actions – conduct a review of local authority procedures regarding the SMI discount; introduce a standardised application procedure and form; ensure all councils adopt the standardised procedure and issue best practice guidance; and engage with key stakeholders to ensure councils are equipped with the necessary resources and information to effectively administer the discount.

We were very pleased that the Welsh Government was engaged with and receptive to our campaign, ultimately championing the recommendations from our report in 2019.<sup>2</sup> In collaboration with MSE, the government and Welsh Local Government Authority set about making improvements that meant that clear literature was produced for consumers and professionals about the discount and how to claim; all 22 Welsh councils have since adopted a standardised easy application form; and every council in Wales was provided with a standardised way to backdate claims.

MSE is pleased to see the Welsh Government's commitment to improving the take-up of this important and under-claimed discount.

### Questions

**7. Which title do you think should replace the term 'severely mentally impaired'?**

**8. Do you agree with the proposed definition to describe a person with a significant brain impairment or condition?**

MSE does not have a specific view on the titles proposed to replace the term 'severely mentally impaired'. We acknowledge the work done by the specialist working group, and the reasoning outlined in the consultation as to why the shortlist has been settled on. As set out in our response to Phase 1 of this consultation, we understand the argument that the term 'SMI' could now be seen as inappropriate and a potential barrier for some to seek a discount they are entitled to.

Ideally, we would like to see a consistent approach taken across GB nations. We have some reservations that the use of different terminology and definitions in different nations could result in further confusion among consumers and professionals, in what is already a somewhat complex and difficult to understand exemption.

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<sup>1</sup> MoneySavingExpert.com, "The Disregarded Discount", September 2017.

[https://images6.moneysavingexpert.com/images/documents/SMI\\_report-2017\\_final-interactive.pdf](https://images6.moneysavingexpert.com/images/documents/SMI_report-2017_final-interactive.pdf)

<sup>2</sup> MoneySavingExpert.com, "Wales champions 'severely mentally impaired' £400/yr council tax discount", April 2019. <https://www.moneysavingexpert.com/news/2019/04/wales-champions--severely-mentally-impaired--p400-yr-council-tax/>

However, we recognise that the Welsh Government's proposals in this area are focused at improving uptake and understanding of this important discount, and this is a key aim that MSE shares. We would welcome the publication of detailed guidance on the proposed definition of 'SMI', so we can understand more fully how this change would benefit consumers, and to ensure that this guidance is effectively interpreted by professionals who need to make diagnoses.

**9. Do you have any views on the qualifying criteria for a person with a significant brain impairment or condition to be entitled to an exemption or disregard?**

The consultation asks for views on whether the requirement to be eligible for a certain benefit should be removed. It is our understanding that, following a high court ruling in 2021, a person in England and Wales must now be in *receipt* of a qualifying benefit to be eligible for an SMI discount, rather than just eligible for that benefit. We would welcome further clarity from the Welsh Government on whether it intends to remove the requirement to be in receipt of a benefit, or to be eligible for the benefit.

We are particularly concerned about the proposal that the requirement to be in receipt of a qualifying benefit could be removed at a council's discretion, providing there was proof of a clinical diagnosis. This could create a postcode lottery, where some are accepted for the discount while others in the same or similar circumstances are unfairly turned down.

If the Welsh Government intends to amend the criteria, we would strongly support a uniform approach across all local councils. We were proud to work with the Welsh Government and all local authorities in 2017 to create a standardised form and approach to the discount, and would like to see this standardised approach maintained going forward.

From the consultation wording, it is also not clear if a clinical diagnosis would require the same process as the medical certification currently required. We would expect to see the same level of care and scrutiny of the definition being made by medical professionals in all cases, including a blanket understanding that they cannot charge for this service.<sup>3</sup>

**Final remarks**

Overall, any changes that are implemented to either the title, definition or criteria must be fully communicated to all involved in the process of applying for, giving information about (including council call-handlers), medically certifying, or accessing claims about, the SMI council tax discount.

Once finalised, we would be happy to work with the Welsh Government and local authorities to update the standardised form and leaflet, to ensure that information is as clear as possible for those outlined above.

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<sup>3</sup> British Medical Association, "Certificates GPs cannot charge fees for", August 2021. <https://www.bma.org.uk/pay-and-contracts/fees/fees-for-gps/certificates-gps-cannot-charge-fees-for> (Last accessed 5 February 2024).