# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

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| **TITLE**  | **Council Tax Reduction Scheme Annual Report 2018‑19** |
| **DATE**  | **10 June 2019** |
| **BY**  | **Rebecca Evans AM, Minister for Finance and Trefnydd** |

Today, I am publishing the Council Tax Reduction Scheme Annual Report for 2018‑19.

<https://gov.wales/council-tax-reduction-scheme-annual-reports>

Since 2013-14, the Welsh Government has continued to protect vulnerable and low‑income households across Wales by maintaining full entitlements to support with their council tax bills under our Council Tax Reduction Scheme (CTRS).

We have continued to support the scheme with the provision of £244m in the annual local government settlement. The tailored nature of our national scheme means that this support is targeted towards those who need it most.

In 2018-19, this meant that around 280,000 vulnerable and low-income households – one in five households – benefited from a reduction in their council tax. Of these, approximately 220,000 paid no council tax at all.

In March 2018, we launched an awareness campaign to highlight the support available in reducing the cost of council tax for those who:

* live on a low income
* live alone, or with people or children who do not pay council tax
* are a student
* are disabled
* are a carer
* are mentally impaired.

The Welsh Government joined forces with local authorities, Money Saving Expert and third sector organisations to develop simple and consistent advice to ensure all households in Wales have the information they need about their entitlements to council tax support.

Despite our continued support for the most vulnerable households in Wales, take-up of the CTRS is gradually decreasing. I would therefore encourage everyone to check our website to see whether they are entitled for help with their council tax bill under our reduction scheme or one of the other discounts which are available.

<https://gov.wales/pay-less-council-tax>

We continue to make progress with the extensive programme of work to examine how the council tax system could be improved over the short, medium and longer term to deliver on our commitment to make council tax fairer.

Already in 2019, we have passed legislation to remove the sanction of imprisonment for non-payment of council tax, and to exempt care leavers from paying council tax up to the age of 25. In addition, we have worked closely with the WLGA, local authorities and Money Saving Expert to ensure local authorities have adopted and implemented a consistent approach to applications for discounts and exemptions for people with a ‘severe mental impairment.’

We also continue to review council tax to establish innovative ways of identifying households which may be entitled to council tax support but are not receiving it. As part of this, we have commissioned external research to understand the impact of Universal Credit (UC) on take-up of our Council Tax Reduction Scheme and the value of council tax reductions. This research will also look at the impact of Universal Credit on rent arrears in Wales.

We do not believe decisions taken by the UK Government about welfare benefits should have an impact on local taxation in Wales, an area of responsibility which has been devolved since 1999. But, as a result of the way the eligibility criteria for UK social security benefits affect entitlement to a range of other support mechanisms, we are beginning to see an adverse impact across Wales as UC is being rolled out. It is important we understand these impacts and, where possible, respond appropriately.

The research is due to be published early in 2020 and the findings will inform our development of CTRS for 2020-21 and beyond as we seek to ensure that households are not disadvantaged as a result of Universal Credit. We will also use the findings to consider whether more substantial reform of the scheme is needed in the medium term to mitigate the effects of welfare reform and to help make council tax fairer and more progressive.

I am grateful for the continued assistance of local authorities in delivering CTRS and in helping to ensure that this important financial support reaches eligible households. I remain committed to ensuring further action is taken to mitigate the consequences for those affected by the UK Government’s welfare reforms.