# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

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| **TITLE**  | **The outcome of the consultation on changes to the Council Tax Reduction Scheme** |
| **DATE**  | **15 August 2024** |
| **BY** | **Rebecca Evans MS, Cabinet Secretary for Finance, Constitution & Cabinet Office**  |

### Today I have published a [summary](https://www.gov.wales/proposed-changes-council-tax-reduction-scheme) of the responses to the Welsh Government’s consultation on potential technical changes to the Council Tax Reduction Scheme. The consultation ran from 12 March until 6 June 2024 and I am very grateful for the responses received from a range of stakeholders and members of the public.

The Council Tax Reduction Scheme is a significant system of support and an important lever for tackling poverty across Wales. It is administered locally by councils but has historically had low take-up from potentially eligible residents, and the number of households receiving a council tax reduction continues to fall. The consultation proposed several changes to the scheme to make it easier to access and simpler to administer.

A majority of respondents to the consultation agreed with the proposal that a person in receipt of Universal Credit may be recognised by a council as having made an application for a council tax reduction. As a result, this change will be made in the next iteration of the regulations, “The Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Miscellaneous Amendments) (Wales) Regulations 2025”, and the change will come into force on 1 April 2025. I hope this change will provide councils with more tools and legislative clarity to award council tax reductions in certain circumstances.

Views received on the consultation proposals related to non-dependant deductions favoured a simplification of the complex calculations to two income bands. As set out in the consultation, changes to non-dependant deductions will be confirmed in 2026 when the affordability of any changes becomes clearer.

The consultation outcome contributes towards delivery of the Programme for Government commitment to make council tax fairer, as we continue to review the Council Tax Reduction Scheme to ensure low-income households receive the support they need.

This statement is being issued during recess in order to keep members informed. Should members wish me to make a further statement or to answer questions on this when the Senedd returns in the autumn I would be happy to do so.