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| WRITTEN STATEMENTBYTHE WELSH GOVERNMENT |

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| **TITLE** | **Arrangements for Council Tax Reduction Schemes in Wales, 2018‑19** |
| **DATE** | **9 October 2017** |
| **BY** | **Mark Drakeford AM**  **Cabinet Secretary for Finance and Local Government** |

Today, I am pleased to confirm that the Welsh Government has agreed to continue to protect vulnerable and low-income households in Wales by maintaining full entitlements under our Council Tax Reduction Scheme (CTRS) for 2018-19.

The arrangements for 2019-20 onwards will be determined as part of wider considerations about how to make council tax fairer.

The UK Government abolished Council Tax Benefit on 31 March 2013. At the same time, it passed funding to the Welsh Government – cut by 10% and transferred into fixed, rather than demand-led, budgets – to put in place replacement schemes.

Despite the shortfall in funding, the Welsh Government and local government have worked together to maintain full entitlements for CTRS through a single national framework supported with the annual provision of £244m to local authorities in the local government settlement. These arrangements will continue for 2018-19.

This decision will ensure that almost 300,000 vulnerable and low-income households in Wales will continue to be protected from any increase in their council tax liability. Of these, 220,000 will continue to pay no council tax at all.

Our policy approach is in stark contrast to the situation in England, where local authorities have to design their own schemes and manage all the associated funding implications. As a result, council tax liability varies by local authority, a multitude of different schemes operate and over two million low-income households are faced with having to pay more of their council tax bill. Low-income families in England are now paying on average £191 a year more in council tax than they would have if Council Tax Benefit were still in place.

In addition, local authorities in Wales continue to be shielded from the risks and costs faced by councils in England who must collect council tax from hard-pressed households and manage the financial and social consequences of pursuing small amounts of debt.

I am grateful for the continued assistance of local authorities in delivering CTRS and the important financial support it provides to eligible households. We know many low-income households are struggling to cope with the effects of the UK Government’s welfare reforms and I remain committed to ensuring further action is taken to mitigate the consequences for those affected.