

**Isle of Wight Council
Second Stage Equality Impact Assessment
Council Tax Reduction Scheme 2021/22**

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The Council Tax Reduction Scheme for 2021/22

The Aims, Objectives and Expected Outcomes:

1. Council Tax Reduction (CTR) was introduced by central government in April 2013 as a replacement for the Council Tax Benefit scheme administered on behalf of the Department for Work and Pensions (DWP). As part of its introduction, the government in transferring the responsibility to individual councils set the requirements namely:
 - the duty to create a local scheme for **Working Age** applicants to billing authorities;
 - funding was initially reduced by the equivalent of ten per cent from the levels paid through benefit subsidy to authorities under the previous Council Tax Benefit scheme; and
 - persons of **Pension Age**, although allowed to apply for Council Tax Reduction, would be dealt with under regulations prescribed by central government and not the authority's local scheme.
2. The current support scheme created by the council is divided into two schemes, with pension age applicants receiving support under the rules prescribed by central government, and the scheme for working age applicants being determined solely by the Council.
3. Pensioners, subject to their income, can receive up to 100 per cent support towards their council tax. The Council has no powers to change the level of support provided to pensioners and therefore any changes to the level of CTR can only be made to the working age scheme.
4. When CTR was introduced in 2013, the Council broadly adopted the previous means tested Council Tax Benefit scheme as the basis of awarding support. However, due to the reduction in funding, a number of changes have been made over the years to the working age scheme. These are as follows:

Changes made from 1 April 2013 (from the original Council Tax Benefit scheme)

5. A decision was made to reduce maximum entitlement for working age non-vulnerable claimants to 80 per cent of their council tax liability. The reduction in support was deferred for one year as central government offered additional payments if councils limited their reduction and maintained a scheme that didn't reduce maximum entitlement to less than 91.5 per cent.
6. To safeguard those applicants, their partner, or disabled dependent child who were deemed working age 'vulnerable', the CTR scheme provided the same level of assistance as the previous Council Tax Benefit Scheme (100 per cent).
7. The Second Adult Rebate scheme for working age was removed, this provided a level of discount based on the income and circumstances of any 'second adult' (not the applicant or partner).

Changes made from 1 April 2014.

8. From 1 April 2014, CTR was restricted to a maximum of 80 per cent entitlement for working age. Vulnerable applicants continued to be granted protection at 100 per cent on a 'blanket' policy.

Changes made from 1 April 2016

9. From 1 April 2016, the Family Premium was removed, and backdating limited to one calendar month in line with the national changes to the Housing Benefit scheme. The family premium of £17.45 was previously awarded to households with children within the calculation of CTR and was withdrawn from Housing Benefit from May 2016. This change was approved to bring CTR in line with Housing Benefit regulations.
10. The blanket protection for certain claimants was removed and replaced by an exceptional hardship fund which gives a tailored approach to those cases suffering exceptional hardship. A blanket protection was previously provided to those working age claimants, their partners or dependent children who received certain (disability) benefits to a maximum of 100 per cent of their council tax liability applied. The introduction of a targeted protection scheme (Exceptional Hardship Fund) rather than a blanket protection was to take into account individual circumstances, including the claimant's income and essential outgoings.
11. For self-employed applicants, the minimum income floor was introduced into the scheme. This sets a minimum level of income that is used in the calculation of CTR for certain cases where they have been in business for more than 12 months. These changes align with the approach taken in Universal Credit.
12. The capital limit was reduced from £16,000 to £6,000. The maximum level of capital a claimant could own before they no longer qualified for CTR was previously £16,000, and this was reduced to £6,000 in 2016.

Changes made from 1 April 2017

13. From 1 April 2017, the following changes were made to align CTR with changes made to housing benefit namely:
 - The reduction in the period for which a person can be absent from Great Britain and still receive CTR from thirteen weeks to four weeks. A change which was introduced in housing benefit which excluded a person from housing benefit if they were out of the country for 4 weeks or more. This change was approved to bring CTR in line with Housing Benefit regulations;
 - From the 1 April 2017 new Employment Support Allowance (ESA) claimants who go into the work-related activity group will not receive additional monies in their ESA. This component was £29.05 per week in the calculation. This change was approved to bring CTR in line with Housing Benefit regulations;

- To limit the number of dependent children within the calculation of CTR to a maximum of two for any new children born on or after 1 April 2017 This change was approved to bring CTR in line with Housing Benefit regulations; and
- To remove entitlement to the Severe Disability Premium in line with changes made to housing benefit where another person is paid Universal Credit (Carers Element). This change was approved to bring CTR in line with Housing Benefit regulations.

Changes made from 1 April 2018

14. From 1 April 2018, further changes were made to the CTR scheme to provide additional funding to the council, namely:
- reducing the maximum entitlement for working age claimants to 70 per cent of their council tax liability;
 - restricting Council Tax Reduction to a maximum Band C valuation - this affects all applicants whose dwellings have a band D or higher; and
 - disregarding the new Bereavement Support Payments in line with changes made to Housing Benefit.
15. The working age scheme for 2018/19 required all working age applicants to pay a minimum of 30 per cent of their council tax (a maximum level of CTR of 70 per cent) and CTR was limited to a maximum of band C for council tax valuation purposes. Any applicants living in premises which have a council tax band of D, E, F, G or H have their entitlement calculated on band C levels.

Changes made from 1st April 2019

16. Minor changes were made to the scheme with effect from 1st April 2019 namely:
- To disregard the new Infected Blood Scheme payments in line with changes made by government to the housing benefit scheme rules. (Five payment schemes have provided financial support to people infected with HIV and/or hepatitis C as a result of contaminated National Health Service blood or blood products). These schemes are run by: The Eileen Trust, The Macfarlane Trust, MFET Ltd, The Skipton Fund and The Caxton Foundation. Payments from these schemes have been fully disregarded in housing benefit and this has been reflected in CTR using the Exceptional Hardship Fund policy.
 - Any applicants receiving the new Infected Blood Scheme Payments will be given additional support, if required, through the exceptional hardship facility that already exists within the Council Tax Reduction.

Changes made from 1st April 2020

17. During 2019, management was tasked to develop options for an alternative council tax reduction banded scheme for consideration and implementation with effect from 1 April 2020 to reduce the administrative burden placed on the council as a result of the introduction of Universal Credit.

18. The introduction of Universal Credit within the area has, as experienced in all other areas, brought a number of significant challenges to both the administration of Council Tax Reduction and also the collection of Council Tax generally. All sites within full-service areas have experienced the following:
- The reluctance of Universal Credit claimants to make a prompt claim for Council Tax Reduction leading to loss of entitlement;
 - A high number of changes to Universal Credit cases are received from the Department for Work and Pensions requiring a change to Council Tax Reduction entitlement. On average 40% of Universal Credit claimants have between eight and twelve changes in entitlement per annum. These changes result in amendments to Council Tax liability, the re-calculation of instalments, delays and the demonstrable loss in collection; and
 - The increased costs of administration through multiple changes with significant additional staff and staff time being needed.
19. In view of these problems a new working age scheme was introduced from 2020/21. The approach has been to fundamentally redesign the scheme to address all of the issues with the earlier schemes.
20. The new scheme replaced the traditional means-tested scheme with a simple income grid model as shown below:

Band	Level of CTR	Couple with no children	Couple with children	Single parent with two or more children	Single parent with one child	Single person	
1	70%	in receipt of a disability benefit					
2	70%	in receipt of a passported benefit					
3	70%	£0.00 - £115.00	£0.00 - £250.00	£0.00 - £210.00	£0.00 - £140.00	£0.00 - £75.00	
4	60%	£115.01 - £165.00	£250.01 - £300.00	£210.01 - £260.00	£140.01 - £190.00	£75.01 - £125.00	
5	40%	£165.01 - £215.00	£300.01 - £350.00	£260.01 - £310.00	£190.01 - £240.00	£125.01 - £175.00	
6	20%	£215.01 - £265.00	£350.01 - £400.00	£310.01 - £360.00	£240.01 - £290.00	£175.01 - £225.00	

21. The main principles of the current (2020/21) scheme are as follows:

- a. The highest level of discount is set at a maximum level of liability (70%) and all current applicants that are in receipt of a 'passport benefit' such as Income Support, Jobseeker's Allowance (Income Based) and Employment and Support Allowance (Income Related) receive maximum discount;
- b. The maximum discount (70%) is also applied to applicants that are in receipt of a 'disability benefit' such as Disability Living Allowance or Personal Independence Payments receive maximum discount;
- c. The payment of CTR continues to be limited to Council Tax Band C level. This means any applicants living in premises which have a council tax band of D, E, F, G or H have their entitlement calculated on band C levels;
- d. All other discount levels are based on the applicant's (and partner's, where they have one) net income;
- e. The scheme allows for variation in household size with the levels of income per band increasing where an applicant has a partner, and / or dependants;
- f. Where an applicant had non-dependants living with them, a standard deduction of £2 per week is made;
- g. To encourage work, a standard £25 per week disregard is provided against all earnings for all applicant types;
- h. Disability benefits such as Disability Living Allowance and Personal Independence Allowance continue to be disregarded and, in addition, the Support Component of Employment and Support Allowance and Carer's Allowance is also be disregarded, again providing additional protection with the scheme;
- i. Child benefit and Child Maintenance continues to be disregarded;
- j. The total disregard on war pensions and war disablement pensions continues under the current scheme;
- k. The capital limit under the current scheme remains at £6,000 and there is no calculation of tariff or 'assumed' income from any capital held: and
- l. The approach to for Self Employed applicants and directors has been maintained with the use of a minimum income floor.

21. The simplicity of the current scheme addresses the problems with the changes caused by Universal Credit and is not so reactive to constant changes in circumstance.

Exceptional Hardship Fund

22. In changing to the new scheme, the Council was mindful that some applicants may lose or have a reduced entitlement to CTR. With that in mind, the scheme also has provisions which will assist applicants facing exceptional hardship. Where any applicant is likely to experience exceptional hardship, they are encouraged to apply for an exceptional hardship payment.
23. The Council considers all applications for exceptional hardship on an individual basis, taking into account available income and essential outgoings. Where appropriate further support is given to the applicant.

Changes from 2021/22

24. From 1st April 2021 the Council has decided that a number of changes be made to the 2020/21 scheme. The changes, which are outlined below, are principally designed to make further savings for the Council to assist with meeting the deficit and also to adjust the scheme to be fairer to those applicants on the lowest income.
25. The *proposed* changes are as follows:
- (i) To increase the minimum payment required from working age applicants with changes to the discount levels available;
 - (ii) To remove the automatic maximum discount for persons with a disability;
 - (iii) To increase the level of non-dependant deductions;
 - (iv) To reduce the earnings disregard;
 - (v) To disregard the housing element for all applicants in receipt of Universal Credit; and
 - (vi) To include Carer's Allowance as an income within the calculation.
26. Each of the above are examined in more detail below:

To increase the minimum payment required from working age applicants with changes to the discount levels available

27. This change reduces the maximum level of discount to 65% with corresponding reductions in the lower discount bands as follows:

Band	Level of CTR	HOUSEHOLD				
		Couple with children	Couple with no children	Single parent with two or more children	Single parent with one child	Single person
2	65%	in receipt of a passported benefit				
3	65%	£0.00 - £255.00	£0.00 - £120.00	£0.00 - £215.00	£0.00 - £145.00	£0.00 - £75.00
4	55%	£255.01 - £305.00	£120.01 - £170.00	£215.01 - £265.00	£145.01 - £195.00	£75.01 - £125.00
5	35%	£305.01 - £355.00	£170.01 - £220.00	£265.01 - £315.00	£195.01 - £245.00	£125.01 - £175.00
6	15%	£355.01 - £405.00	£220.01 - £270.00	£315.01 - £365.00	£245.01 - £295.00	£175.01 - £225.00
7	0%	£405.01 +	£270.01 +	£365.01 +	£295.01 +	£225.01 +

28. A consultation was undertaken with both the public and preceptors and full details of the responses are shown within Appendix 2 of this report. Clearly any changes in the scheme which reduce the overall level of support are not unanimously supported. Within the consultation, 56% did not agree with this proposal 5% of participants responded that they were unsure whether they agree.

29. A further question was asked as to whether the maximum support should be reduced from 70% to 65% or 60%. Within the consultation, 50.5% answered in favour of a reduction to 65% option and a further 49.5% answered in favour of a reduction to 60% option.
30. Any applicant who is unable to make payment of any residual Council Tax liability can apply for further support through the exceptional hardship fund which will remain in place.

To remove the automatic maximum discount for persons with a disability

31. Within the current scheme, where the taxpayer would be eligible for Council Tax Reduction and where the applicant, their partner or dependant who is in receipt of a disability benefit namely:
- Disability Living Allowance;
 - Personal Independence Payment;
 - Armed Forces Independence Payment; or the Support Component of Employment and Support Allowance
- Council Tax Reduction would automatically be awarded at the maximum level of discount irrespective the household income.
32. This change means that applicants with a disability benefit would receive the same level of discount as other applicants with similar incomes. However, it should be noted that, when calculating the total income of the household, any disability benefit received is disregarded in full.
33. 38% indicated that they agreed with this change, 57% did not agree with the change, and 5% did not know whether they agreed.
34. A supplementary proposal was made to remove the £50 per week income disregard in place of the blanket protection for all applicants who have a disabled person in their household. In the consultation 28% answered in favour of the disregard while 19% were in opposition to the disregard.
35. Whilst the Council has decided the change should be made to the scheme for 2021/22, any applicant who is unable to make payment of any residual Council Tax liability can apply for further support through the exceptional hardship fund which will remain in place.

To increase the level of non-dependant deductions

36. Where there are non-dependants in the household, a deduction of £2 per week is made from the applicant's Council Tax Reduction for each non-dependant who is resident.
37. This proposal was to potentially increase the deduction for non-dependants. The Council has decided not to progress this change.

To reduce the earnings disregard

- 38. Where the applicant or their partner is employed, a £25 per week disregard is made from the net earnings. This is designed to encourage all applicants to undertake or seek employment
- 39. This proposal was to potentially reduce the disregard. The Council has decided not to progress this change.

To disregard the housing element for all applicants in receipt of Universal Credit.

- 40. A Council Tax Reduction applicant who receives Universal Credit has the full amount of the award included as their income when calculating their entitlement to a discount. This will include any element of the award which relates to their housing costs.
- 41. This is significantly different to applicants who may be in receipt of Housing Benefit, which is totally disregarded when calculating the applicant's income for discount purposes.
- 42. This change allows for the disregard of any element of Housing Costs within any applicant's Universal Credit thereby potentially increasing the level of Council Tax Reduction available to them and bringing these cases into line with those applicants who receive Housing Benefit.
- 43. Within the consultation 54% agreed with this option and 32% indicated they did not agree. 14% did not know whether they agreed with this option. The Council has decided to proceed with this change to the scheme.

To include Carer's Allowance in the calculation of income.

- 44. Carer's Allowance is disregarded when calculating the income of the applicant for Council Tax Reduction purposes.
- 45. The proposal was to include Carer's Allowance as an income. The Council has decided not to proceed with this change to the scheme.

Scope of the Equality Impact Assessment

46. This Equality Impact Assessment examines the potential effects of each of the changes and particularly the effects where any of the options were to be adopted.
47. It should be noted that all the changes will only affect the working age scheme. The Council Tax Reduction scheme for pensioners is prescribed by Central Government and cannot be amended by local authorities.
48. As part of the changes, the Council needs to give consideration to the effects on working age claimants only and in particular any vulnerable groups in the design of a new system.
49. Central Government has not been prescriptive in how it does this but points to the Council's existing responsibilities including the Child Poverty Act 2010, the Disabled Person Act 1986 and the Housing Act 1996 as well as the public sector equality duty in section 149 of the Equality Act 2010.

Method of Consultation

50. The following methods were undertaken to obtain the views of taxpayers, precepting authorities and other stakeholders:

Stakeholders	Methodology
1. Existing applicants (both working age and pensionable age)	Online survey via questionnaire explaining proposals and likely impact Paper surveys were available. Postcards advising of the consultation.
2. Council taxpayers and service users generally	Online Survey via questionnaire explaining proposals and likely impact Paper surveys were available. Generic email advising of the consultation.
3. Interested organisations and groups.	Emails were sent to the Housing Benefit Working Group Members to raise awareness and for them to circulate to their customers Emails were sent to all Parish and Town Council Clerks to raise awareness and seek their response A letter was to the Police & Crime Commissioner seeking views. 'People Matter' were consulted about the consultation and simplified instructions. The 'Age Friendly Group' were advised of the consultation Internal Council Departments were advised of the consultation. The Hampshire Fire Authority was asked for their views.

Stakeholders	Methodology
General Awareness	
4. Provision of information and awareness raising of changes and proposals	www.iwight.com Press releases Face to face communication at customer service points Information in libraries, The Council's Facebook and Twitter sites were used (weekly promotions)

Responses to the Consultation

Full responses to the public consultation are included within Appendix 2.

The consultation response by the Police and Crime Commissioner is shown within Appendix 3.

Action and Improvement Plan

An action and improvement plan is included within Appendix 1.

Recommendations

Recommendations for changes to the 2021/22 Council Tax Reduction scheme are shown within Appendix 4.

Appendix 1
Action and Improvement Plan

To increase the minimum payment required from working age applicants with changes to the discount levels available

Area of impact	Is there evidence of negative positive or no impact?	Could this lead to adverse impact and if so why?	Can this adverse impact be justified on the grounds of promoting equality of opportunity for one group or any other reason?	Please detail what measures or changes you will put in place to remedy any identified impact (NB: please make sure that you include actions to improve all areas of impact whether negative, neutral or positive)
Age	Negative Impact	There will be a reduction and redistribution of support amongst the working age Council Tax Reduction applicants		An exceptional hardship fund will be available for those claimants in most severe financial need
Disability	Negative impact	There will be a reduction and redistribution of support amongst the working age Council Tax Reduction applicants		An exceptional hardship fund will be available for those claimants in most severe financial need
Gender Reassignment	No impact	Other than that, for working age claimants generally		
Marriage & Civil Partnership	No impact	Other than that, for working age claimants generally		
Pregnancy & Maternity	No impact	Other than that, for working age claimants generally		
Race	No impact	Other than that, for working age claimants generally		
Religion / Belief	No impact	Other than that, for working age claimants generally		
Sex (male or female)	No impact	Other than that, for working age claimants generally		
Sexual Orientation	No impact	Other than that, for working age claimants generally		
HR & workforce issues	Not known at this stage		The Council will monitor the overall impact of work and resource accordingly if the preferred scheme is adopted and undertake an initial EIA screening on the impact of HR workforce issues.	
Human Rights implications if relevant	n/a			

To remove the automatic maximum discount for persons with a disability and replace with a £50 income disregard

Area of impact	Is there evidence of negative positive or no impact?	Could this lead to adverse impact and if so why?	Can this adverse impact be justified on the grounds of promoting equality of opportunity for one group or any other reason?	Please detail what measures or changes you will put in place to remedy any identified impact (NB: please make sure that you include actions to improve all areas of impact whether negative, neutral or positive)
Age	Negative Impact	There will be a reduction and redistribution of support amongst the working age Council Tax Reduction applicants		The addition of a £50 income disregard will assist those applicants on the lowest income and an exceptional hardship fund will be available for those claimants in most severe financial need
Disability	Negative impact	There may be a reduction of support to working age disabled applicants who have a higher income as they will not automatically receive maximum discount		The addition of a £50 income disregard will assist those applicants on the lowest income and an exceptional hardship fund will be available for those claimants in most severe financial need
Gender Reassignment	No impact	Other than that, for working age claimants generally		
Marriage & Civil Partnership	No impact	Other than that, for working age claimants generally		
Pregnancy & Maternity	No impact	Other than that, for working age claimants generally		
Race	No impact	Other than that, for working age claimants generally		
Religion / Belief	No impact	Other than that, for working age claimants generally		
Sex (male or female)	No impact	Other than that, for working age claimants generally		
Sexual Orientation	No impact	Other than that, for working age claimants generally		
HR & workforce issues	Not known at this stage		The Council will monitor the overall impact of work and resource accordingly if the preferred scheme is adopted and undertake an initial EIA screening on the impact of HR workforce issues.	

To remove the automatic maximum discount for persons with a disability and replace with a £50 income disregard

Area of impact	Is there evidence of negative positive or no impact?	Could this lead to adverse impact and if so why?	Can this adverse impact be justified on the grounds of promoting equality of opportunity for one group or any other reason?	Please detail what measures or changes you will put in place to remedy any identified impact (NB: please make sure that you include actions to improve all areas of impact whether negative, neutral or positive)
Human Rights implications if relevant	n/a			

To disregard the housing element for all applicants in receipt of Universal Credit.

Area of impact	Is there evidence of negative positive or no impact?	Could this lead to adverse impact and if so why?	Can this adverse impact be justified on the grounds of promoting equality of opportunity for one group or any other reason?	Please detail what measures or changes you will put in place to remedy any identified impact (NB: please make sure that you include actions to improve all areas of impact whether negative, neutral or positive)
Age	Positive Impact	There may be an increase in support for all Council Tax Reduction applicants who are in receipt of Universal Credit which includes an amount of Housing Costs		
Disability	No impact	Other than that, for working age claimants generally		
Gender Reassignment	No impact	Other than that, for working age claimants generally		
Marriage & Civil Partnership	No impact	Other than that, for working age claimants generally		
Pregnancy & Maternity	No impact	Other than that, for working age claimants generally		
Race	No impact	Other than that, for working age claimants generally		
Religion / Belief	No impact	Other than that, for working age claimants generally		
Sex (male or female)	No impact	Other than that, for working age claimants generally		

To disregard the housing element for all applicants in receipt of Universal Credit.

Area of impact	Is there evidence of negative positive or no impact?	Could this lead to adverse impact and if so why?	Can this adverse impact be justified on the grounds of promoting equality of opportunity for one group or any other reason?	Please detail what measures or changes you will put in place to remedy any identified impact (NB: please make sure that you include actions to improve all areas of impact whether negative, neutral or positive)
Sexual Orientation	No impact	Other than that, for working age claimants generally		
HR & workforce issues	Not known at this stage		The Council will monitor the overall impact of work and resource accordingly if the preferred scheme is adopted and undertake an initial EIA screening on the impact of HR workforce issues.	
Human Rights implications if relevant	n/a			

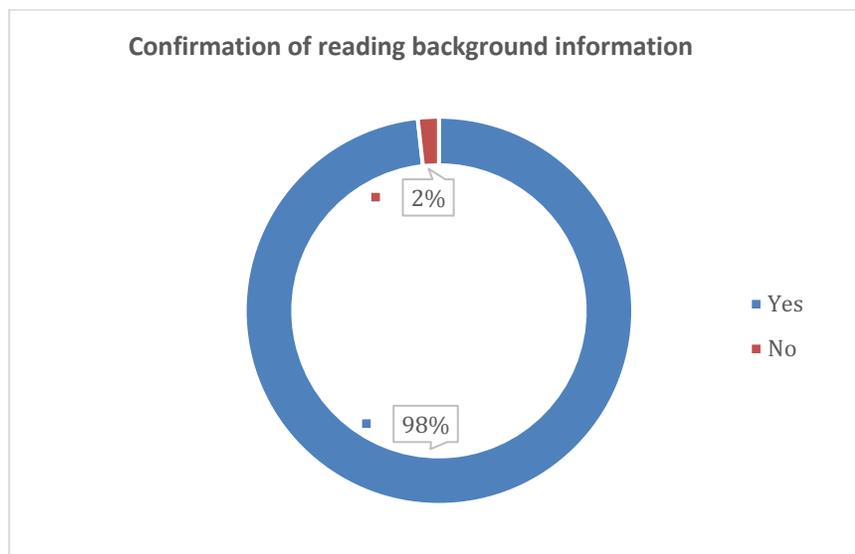
Appendix 2
Consultation Responses - Public

Results from the IWC Local Council Tax Support Scheme Consultation 2021/22

The above consultation was undertaken between 1st August 2020 until the 31st September 2020. On completion, a total of 286 responses had been received. The charts below detail the responses received for each question asked of the participants.

I have read the background information about the Local Council Tax Support scheme.

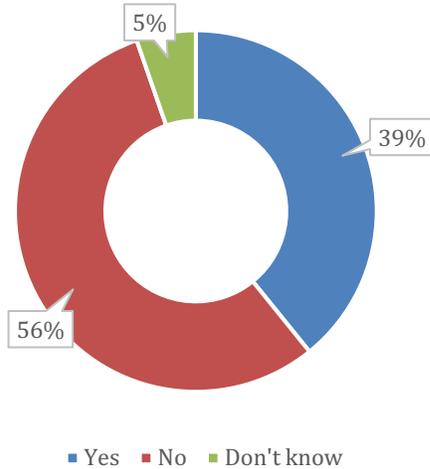
281 respondents indicated that they had read the background information about the Local Council Tax Support scheme, which equates to 98% of participants. 5 participants (2%) indicated that they had not yet read the background information which accompanied the scheme, as was indicated by the introduction to the survey. As an improvement from the previous year, respondents who indicated to not having read the background information were not able to progress through the survey and instead were redirected to a message page which contained a link to the background information while also thanking them for their interest in the survey. On completion of the background reading, these individuals were able to restart the survey if desired.



Question 1 [Option 1]: Do you agree with reducing the maximum level of support?

96 of the consultation participants (39%) indicated that they agreed with Option 1 – the reduction of the maximum level of support for working age claimants from 70% to either 65% or 60% (not yet specified), as proposed by the Isle of Wight Council. 136 participants (56%) did not agree with this option and 13 (5%) of participants responded that they were unsure whether they agree.

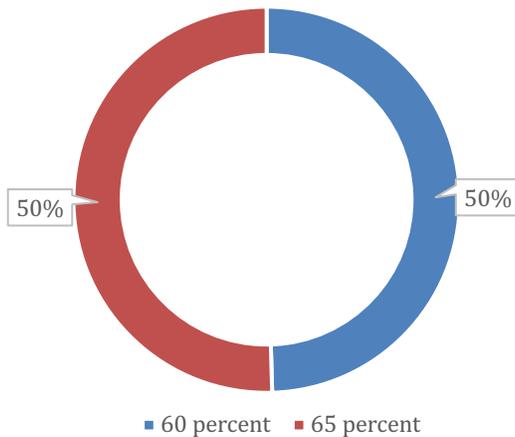
Q1: Reducing the maximum level of support



Question 2 [Option 1]: If yes, do you think the maximum level of support should be reduced to 65% or 60%?

Participants who agreed with reducing the maximum level of support to claimants were asked whether this reduction should be to 65% or 60% of maximum LCTS (a change from the current 70%). Of the 245 participants, 55 participants (50.5%) answered in favour of a reduction to 65% option and a further 54 participants (49.5%) answered in favour of a reduction to 60% option. 136 participants did not agree with the initial statement of Option 1.

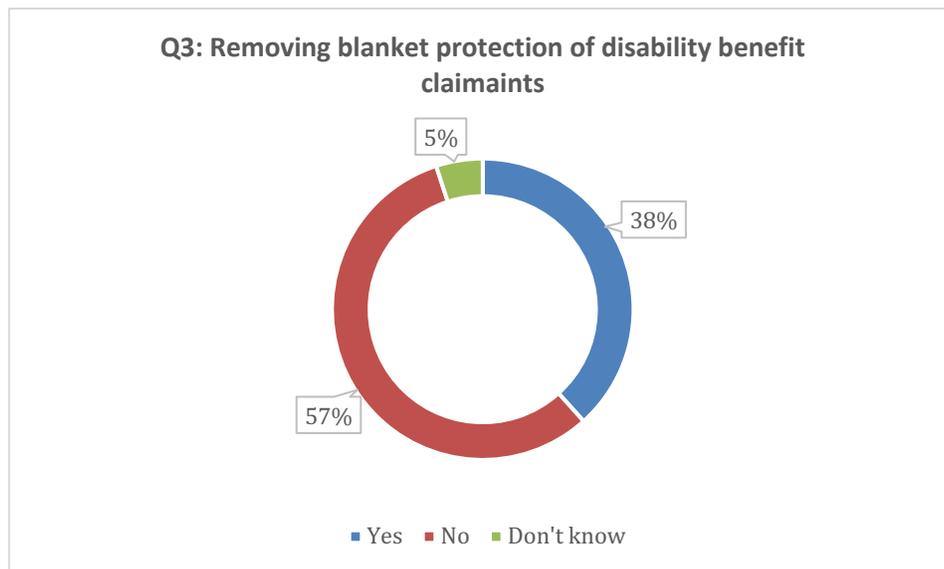
Q2: What % the maximum level of support should be reduced by



Question 3 [Option 2]: Do you agree with removing the blanket protection of claimants in receipt of a disability benefit?

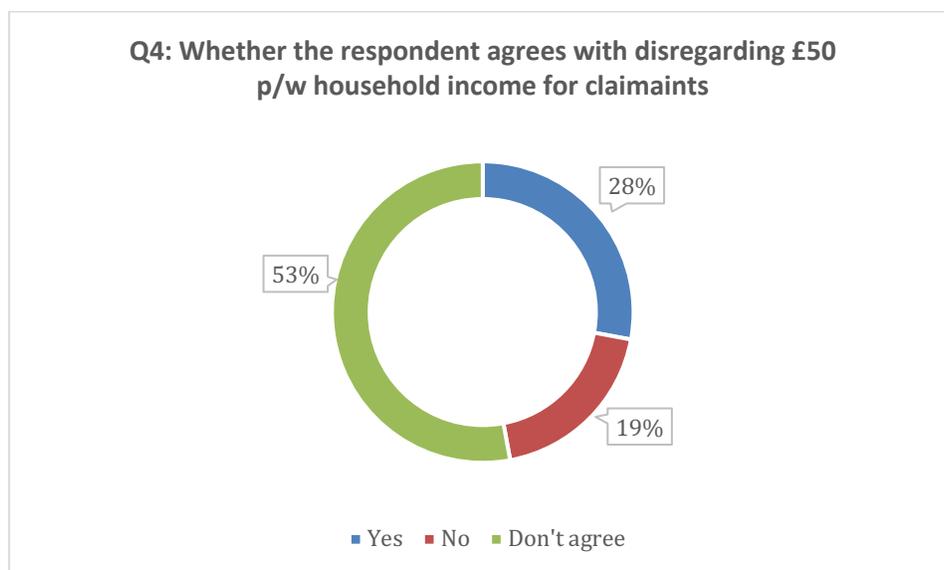
92 participants (38%) indicated that they agreed with Option 2 – to remove the blanket protection of disability benefit claimants who currently receive an automatic 70% of LCTS; removing the banding for

disability benefit claimants in the process. 136 respondents (57%) did not agree with Option 2, and 12 respondents (5%) did not know whether they agreed.



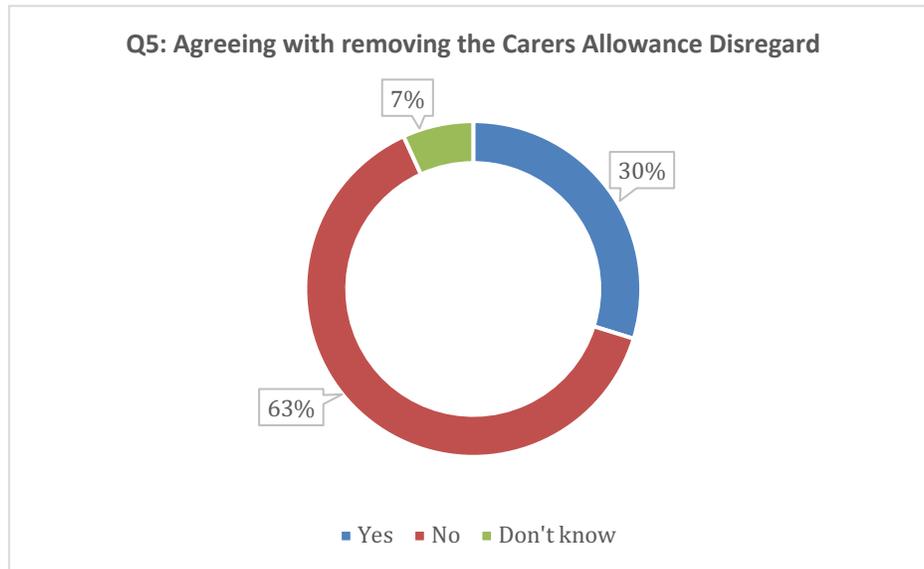
Question 4 [Option 2]: If yes, do you agree with disregarding £50 per week of the household income for these claimants?

Participants who agreed with removing the blanket protection of disability benefit claimants were asked whether the £50 per week household income that they are eligible to receive through disability benefits should be disregarded as household income. Of the 240 participants, 67 participants (28%) answered in favour of the disregard while a further 46 participants (19%) in opposition to the disregard. 127 participants (53%) did not agree with the initial statement of Option 2.



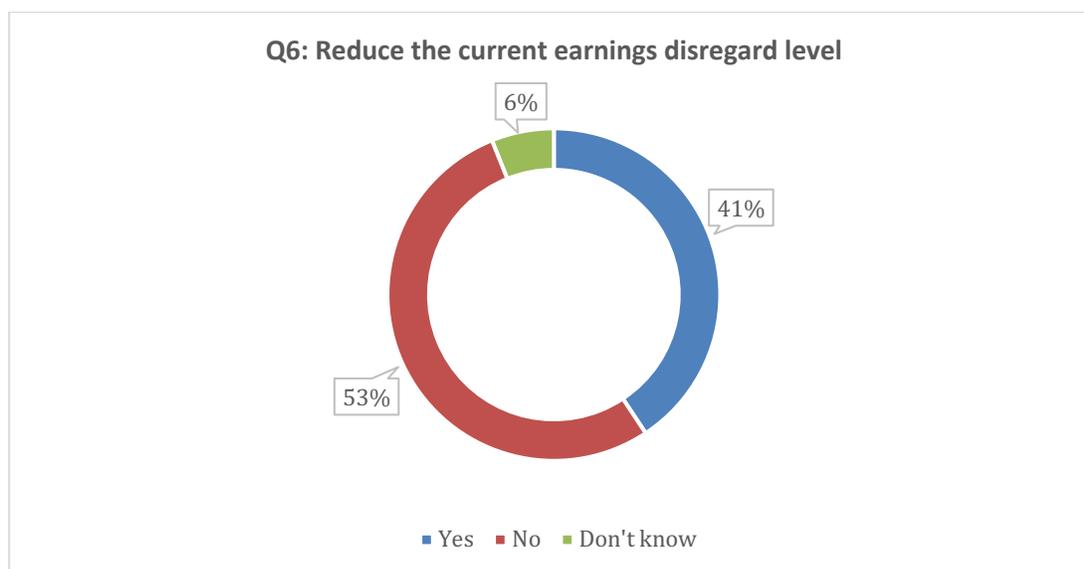
Question 5 [Option 3]: Do you agree with removing the Carers Allowance Disregard?

Option 3 proposes to remove the Carers Allowance Disregard while the amount of Carers Allowance would be taken into consideration when calculating an applicant’s total weekly income. 70 participants (30%) agreed with this option and 149 participants (63%) indicated they did not agree. 16 participants (7%) did not know whether they agreed with this option.



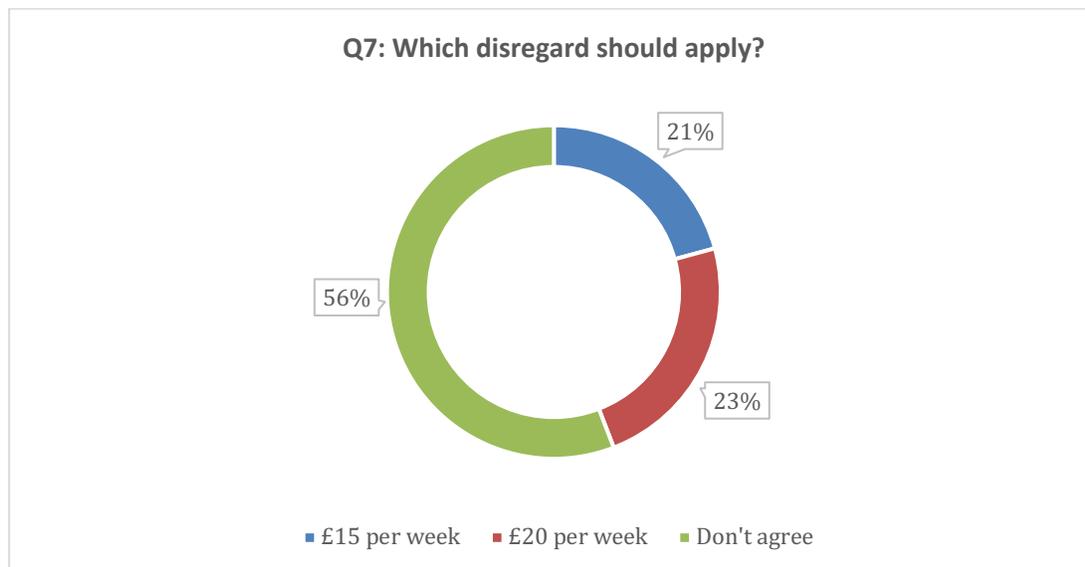
Question 6 [Option 4]: Do you agree with reducing the current earnings disregard level?

Option 4 proposes to reduce the level of the current earnings disregard level to £20 per week or £15 per week (from the current disregard level of £30 per week). 94 participants (41%) agreed with this option and 123 participants (53%) indicated they did not agree. 14 participants (6%) did not know whether they agreed with this option.



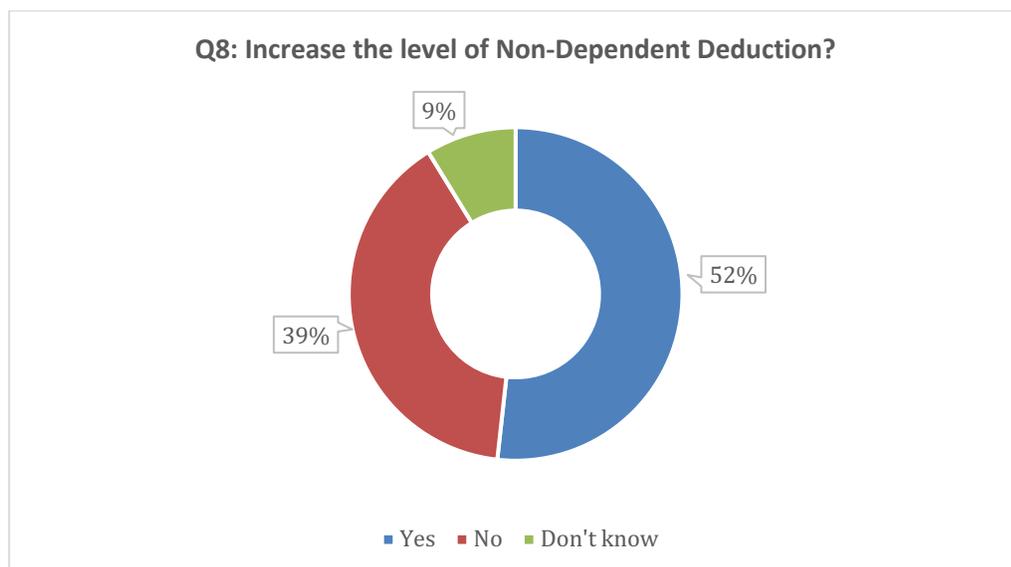
Question 7 [Option 4]: If yes, which disregard do you think should apply?

Participants who agreed with reducing the current level of earnings disregard were asked which reduction in disregard should apply – from £30 per week to £20 per week or £15 per week. Of the 231 participants, 54 participants (23%) answered in favour of a £20 per week disregard reduction while a further 48 participants (21%) answered in favour of a £15 per week disregard reduction. 129 participants (56%) did not agree with the initial statement of Option 4.



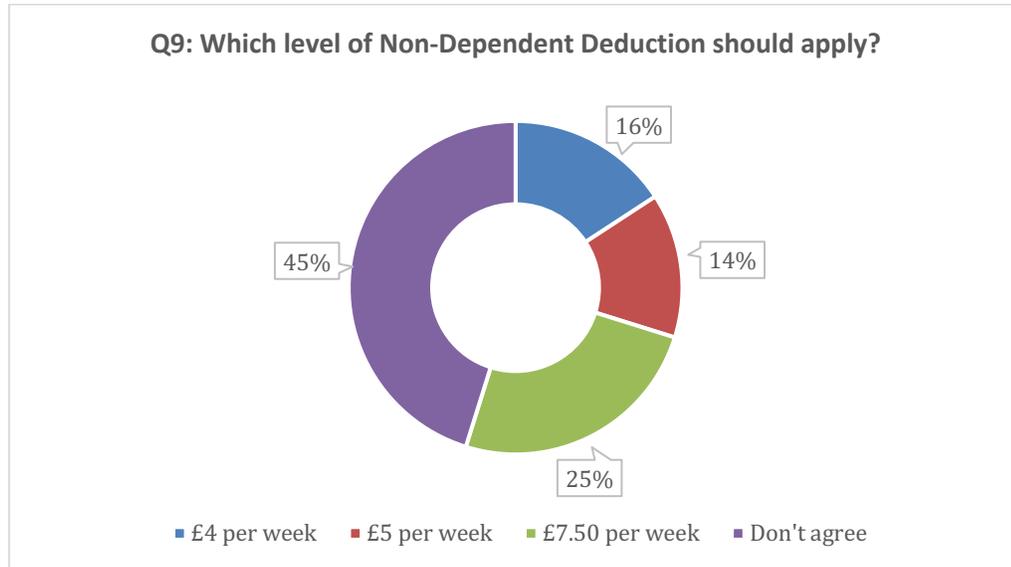
Question 8 [Option 5]: Do you agree with increasing the level Non-Dependent Deduction?

Option 5 proposes to increase the level of the Non-Dependent Deduction from the current level of £2 per week. 118 participants (52%) agreed with this option and 90 participants (39%) indicated they did not agree. 20 participants (9%) did not know whether they agreed with this option.



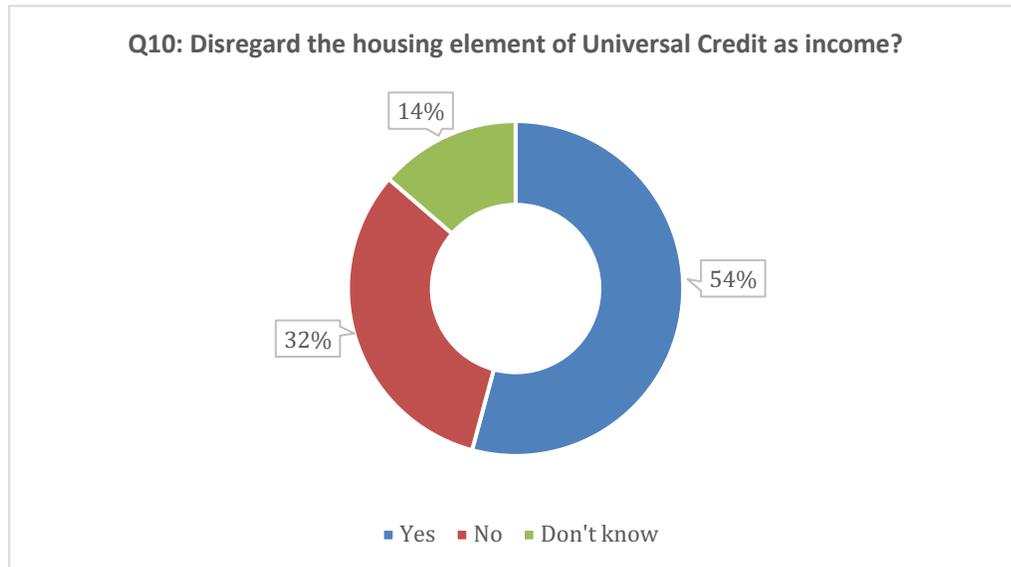
Question 9 [Option 5]: If yes, which Non-Dependent Deduction should apply?

Participants who agreed with increasing the current level of Non-Dependent Deduction were asked which increase in weekly deduction should apply – from £2 per week to either £4 per week, £5 per week or £7.50 per week. Of the 228 participants, 36 participants (16%) answered in favour of a £4 per week deduction, 32 participants (14%) answered in favour of a £5 per week deduction and a further 57 participants (25%) answered in favour of a £7.50 per week reduction. 103 participants (45%) did not agree with the initial statement of Option 5.



Question 10 [Option 6]: Do you agree with disregarding the housing element of Universal Credit as income?

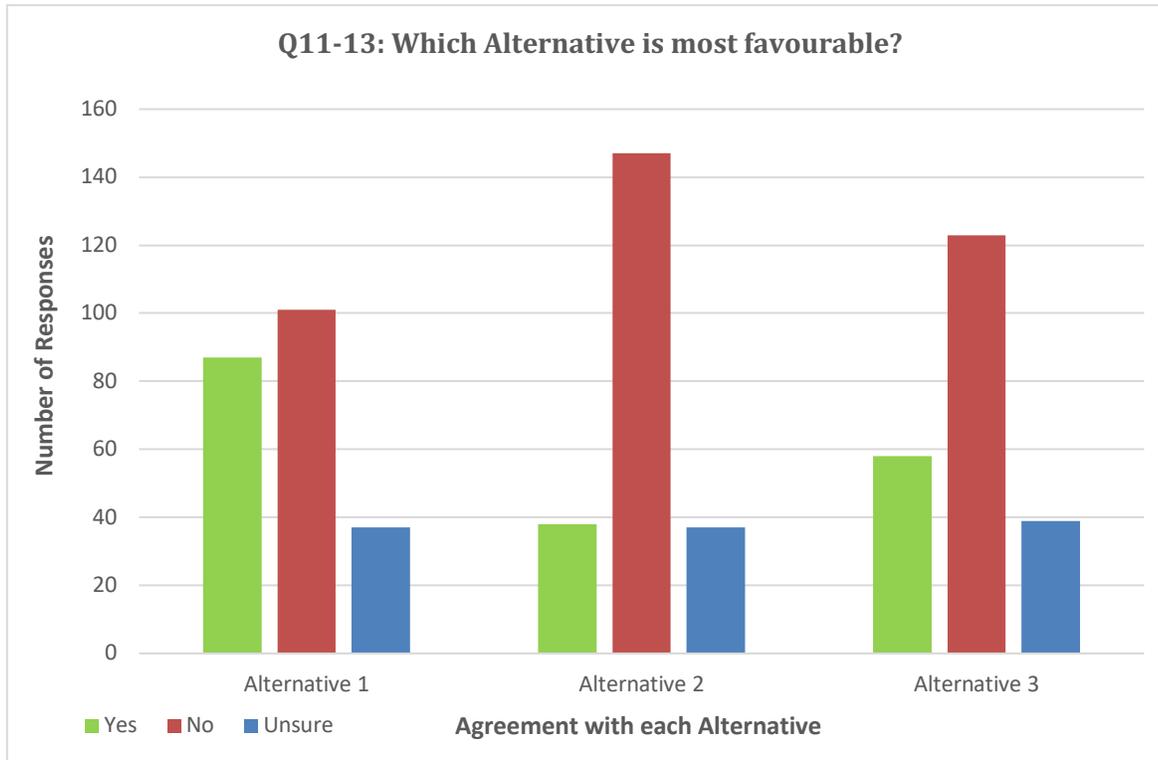
Option 5 proposes to disregard the housing element of Universal Credit as income in the calculation for their LCTS. 123 participants (54%) agreed with this option and 73 participants (32%) indicated they did not agree. 31 participants (14%) did not know whether they agreed with this option.



Question[s] 11-13 [Alternative 1-3]: Do you agree with Alternative's 1, 2 and/or 3?

The consultation described a series of savings Alternatives to participants – whether the scheme should stay the same as it currently is (Alternative 1), whether there should be an increase in Council Tax (Alternative 2) or if saving should instead be found through reducing available budget allocation to current or prospective council services (Alternative 3).

The graph below illustrates the preference of the three Alternatives to the participants by asking whether they agreed or disagreed with each proposed Alternative. 87 participants (39%) indicated that they agreed with Alternative 1 whereas 101 participants (45%) indicated that they did not agree; while a further 37 participants (16%) were unsure. 38 participants (17%) indicated that they agreed with Alternative 2 whereas 147 participants (66%) indicated that they did not agree; while a further 37 participants (17%) were unsure. 58 participants (26%) indicated that they agreed with Alternative 3 whereas 123 participants (56%) indicated that they did not agree; while a further 39 participants (18%) were unsure.



Question[s] 14-16 [Alternative 1-3]: If the council was to choose these alternative options to make savings, what would be your order of preference?

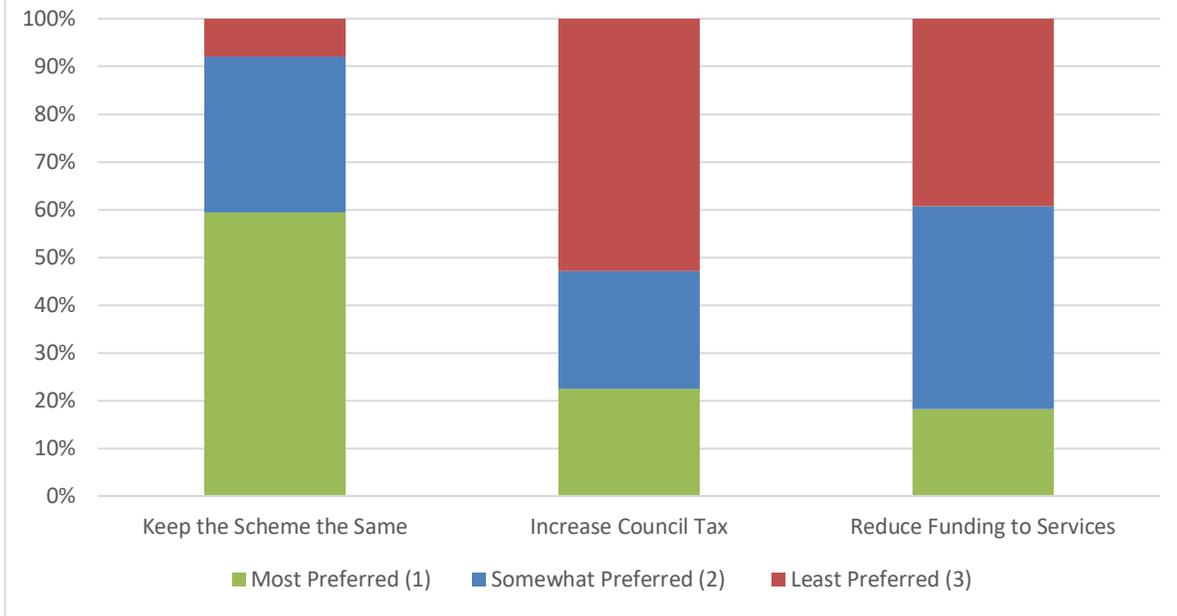
The table and graph below detail how the participants of the consultation ranked the Alternative options in order of preference from 1 – 3, where a score of 1 indicates the most preferred Alternative and 3 indicates the least preferred Alternative.

The table shows that 127 out of 199 participants stated their most preferred alternative was to keep the scheme as it is currently and 113 respondents stated their least preferred alternative was to increase the level of Council Tax.

The graph below visually displays the favourability of these different Alternatives, as stacked out of 100% totals to visualise relative preference against other options.

Order of Preference	Keep the Scheme the Same (Alternative 1)	Increase Council Tax (Alternative 2)	Reduce Funding to Services (Alternative 3)
Most Preferred (1)	127	48	39
Somewhat Preferred (2)	70	53	91
Least Preferred (3)	17	113	84

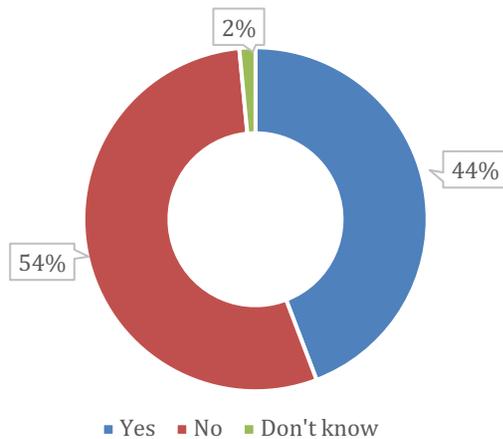
Q14: Preferential Ranking of Saving Alternatives



Question 16: Are you, or someone in your household, getting Local Council Tax Support at this time?

Of the total 199 respondents, 88 participants (44%) indicated that they are in receipt of Local Council Tax Support at the time of the consultation while 108 participants (54%) answered that they were not. 3 participants (2%) did not know whether they are getting Local Council Tax Support at this time. As this question was part of the Equality Monitoring questions, responses were not mandatory. As a result, a further 87 participants chose to not answer this question.

The proportion of participants who are in receipt of LCTS at the time of the consultation



Appendix 3
Consultation response by the Police & Crime Commissioner & the Fire and Rescue Service

Mr J Metcalfe
Chief Executive
Isle of Wight Council
County Hall
Newport
Isle of Wight
PO30 1UD

03 September 20

Dear Mr Metcalfe,

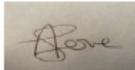
Thank you for consulting the Police & Crime Commissioner (PCC) about proposed changes to Isle of Wight Council's council tax reduction scheme. I am responding on his behalf.

The PCC would agree that the cost of the scheme needs to be kept within the resources available. However, the PCC would like the impact on vulnerable groups from any change to be minimised as much as possible.

In your letter you also request comments about the volatility of the council tax base and council tax yield. Financial stability is important for the emergency services, so the PCC would prefer the council tax support scheme to be designed in a way that provided this. A lack of volatility would also show consistency in the ability of council taxpayers to afford bills and thus be an indication that the scheme is fairly designed.

The consultation proposes a number of options for changes to the scheme. As the billing authority is responsible for running the scheme, the PCC believes that Isle of Wight Council is best placed to know the circumstances of existing recipients and thus what the fairest changes are. Therefore, the PCC does not wish to comment in detail on the proposed options, other than noting that he would most favour those that best meet the general principles set out above.

Yours sincerely,



Andrew Lowe
Chief Finance Officer
Office of the Police and Crime Commissioner



**FIRE AND
RESCUE
SERVICE**

**FIRE AND
RESCUE
SERVICE**

Chief Fire Officer Neil Odin MBA ~~GlFireE MloD~~
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Leigh Road
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SO50 9SJ

T: 02382140081
E: ~~neil.odin@hantsfire.gov.uk~~

11 August 2020

~~Mr~~ J Metcalfe
Chief Executive
Isle of Wight Council
County Hall
Newport
Isle of Wight
PO30 1UD

Dear ~~Mr~~ Metcalfe

On behalf of the Fire Authority I would like to thank you for consulting me about proposed changes to Isle of Wight Council's council tax reduction scheme.

I agree that the cost of the scheme needs to be kept within the resources available and I note that the consultation proposes a number of options for changes to the scheme. As the billing authority is responsible for running the scheme, I believe that the Isle of Wight Council is best placed to assess the options and to identify the fairest way forward for Isle of Wight residents. Therefore, I do not wish to comment in detail on the proposed options.

In your letter you also request comments about the volatility of the council tax base and council tax yield. Financial stability is important for the emergency services, so I would prefer the council tax support scheme to be designed in a way which provided this.

Thank you once again for consulting me.

Yours sincerely,

Neil Odin
Chief Fire Officer

Appendix 4
Recommendations

The following recommendations are proposed for the 2021/22 Council Tax Reduction scheme:

1. To reduce the maximum support for working age applicants to 65%;
2. To remove the blanket 'maximum reduction' for all applicants where they have a disabled person in the household and to replace it with a standard £50 income disregard where a disability benefit is in payment; and
3. To remove any award of housing element within Universal Credit when calculating the income of claimants in receipt of Universal Credit.