

Isle of Wight Council
Second Stage Equality Impact Assessment
Council Tax Reduction Scheme 2023/24

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The Council Tax Reduction Scheme 2023/24

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 2020/21 scheme were as follows:

- a. The highest level of discount was 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%) 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 was 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 were based on the applicant's (and partner's, where they have one) net income;
- e. The scheme allowed 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 was 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 are disregarded;
- j. The total disregard on war pensions and war disablement pensions continues;
- k. The capital limit under the scheme remained 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 scheme addressed 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 income based 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 assisted 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 made from 2021/22

24. From 1st April 2021 the Council decided that a number of changes needed to be made to the 2020/21 scheme. The changes, which are outlined below, were 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 changes made for the 2021/22 scheme were as follows:
- (i) Increasing the minimum payment required from working age applicants with changes to the discount levels available;
 - (ii) Removing the automatic maximum discount for persons with a disability;
 - (iii) Disregarding the housing element for all applicants in receipt of Universal Credit; and
26. This scheme from 2021 reduced 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 +

27. For the 2021/22 scheme, the Council maintained the exceptional hardship fund which is still available to all applicants.

Changes made from 2022/23

28. For the 2022/23 scheme, the Council made **no** further changes to the scheme and the 2021/22 scheme was carried forward in full, with discounts being provided as follows:

		<u>HOUSEHOLD</u>				
Band	Level of CTR	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 +

Proposed changes for 2023/24

29. For 2023/24, the Council initially proposed the following options for change:
- **Option 1** – Increasing the maximum level of support from 65 per cent to 70 per cent;
 - **Option 2** – Increasing the earnings disregard to £30 **from** the current £25;
 - **Option 3** – Decreasing the Non-dependent deduction rate to £1 per week;
 - **Option 4** – Adding a local welfare payment disregard to mirror Housing Benefit regulations; and
 - **Option 5** – Where Central Government increases the amount of any welfare benefit payments due to a crisis or as an emergency provision, the council reserves the right to disregard any increase as thought necessary to protect the entitlement of any Council Tax Reduction
30. In the case of Option 1 the income levels and discounts would be as follows:

		<u>HOUSEHOLD</u>				
Band	Level of LCTS	Couple with children	Couple with no children	Single parent with two or more children	Single parent with one child	Single person
1	Option 1 70%	in receipt of a passported benefit				

2	Option 1 70%	£0.00 - £265.00	£0.00 - £125.00	£0.00 - £220.00	£0.00 - £150.00	£0.00 - £80.00
3	60%	£265.01 - £315.00	£125.01 - £175.00	£220.01 - £270.00	£150.01 - £200.00	£80.01 - £130.00
4	40%	£315.01 - £365.00	£175.01 - £225.00	£270.01 - £320.00	£200.01 - £250.00	£130.01 - £180.00
5	20%	£365.01 - £415.00	£225.01 - £275.00	£320.01 - £370.00	£250.01 - £300.00	£180.01 - £230.00
6	0%	£415.01 +	£275.01 +	£370.01 +	£300.01 +	£230.01 +

Scope of the Equality Impact Assessment

31. This Equality Impact Assessment is designed to examine any potential effects of any proposed scheme change. Changing the scheme for 2023/24 will affect working age applicants only. The Council Tax Reduction scheme for pensioners is prescribed by Central Government and cannot be amended by local authorities.

Consultation

32. The Council has undertaken a full consultation with both Major Preceptors and the public. The full results of the public consultation are included with Appendix 1 and the response from the Major Preceptors is included within Appendix 2. Appendix 3 includes responses from local preceptors who, although it is not statutory to consult with them, the Council felt it was important to obtain their views.

Action and Improvement Plan

33. An action and improvement plan is included within Appendix 4.

Recommendations

34. The recommendations for the 2023/24 Council Tax Reduction scheme are shown within Appendix 5.

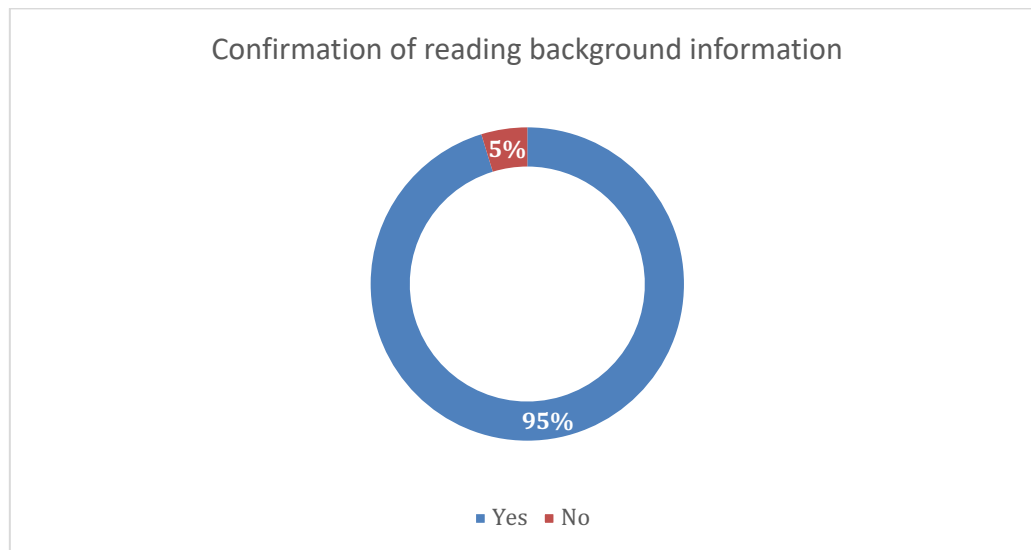
Appendix 1
Consultation Responses - Public

Results from the IWC Local Council Tax Support Scheme Consultation 2023/24

The above consultation was undertaken between 2 August 2022 and 27 September 2022. On completion, a total of 274 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.

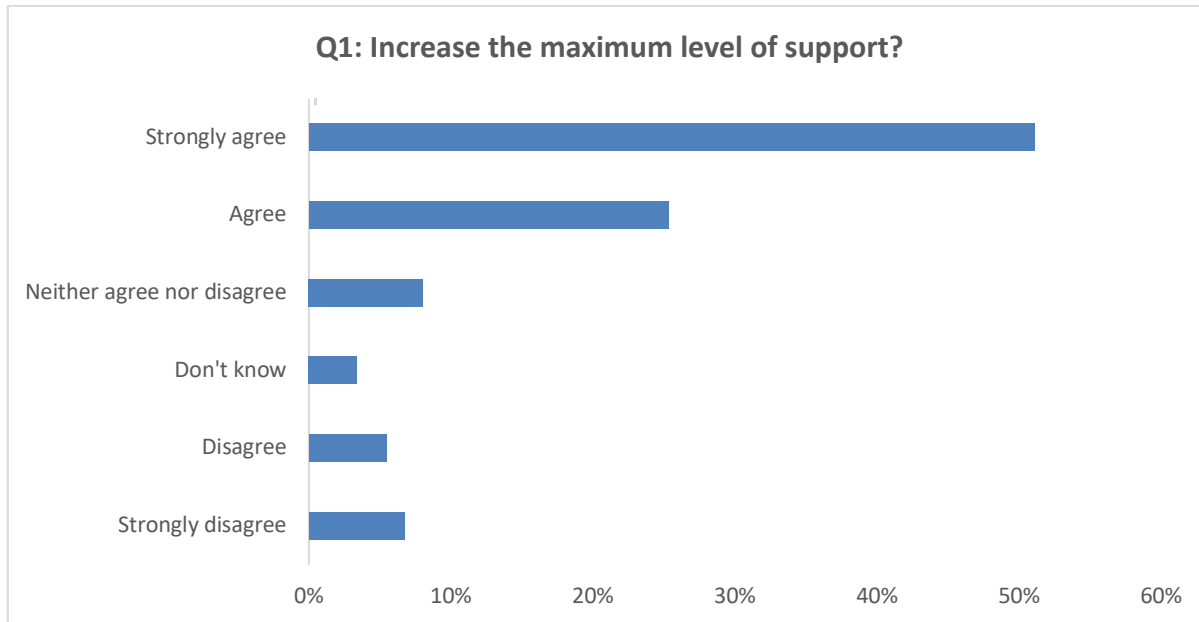
261 respondents (95%) indicated that they had read the background information about the Local Council Tax Support scheme, which equates to 100% of participants. 13 participants (5%) indicated that they had not yet read the background information which accompanied the scheme, as was indicated by the introduction to the survey.



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

There was a total of 237 responses to this question.

Of these, 181 participants (76%) indicated that they agreed with Option 1 – the increase of the maximum level of support for working age claimants from 65% to 70% as proposed by the Isle of Wight Council. 29 participants (12%) did not agree with this option and 27 (11%) of participants responded that they were unsure whether they agree. A further 37 participants chose not to answer this question

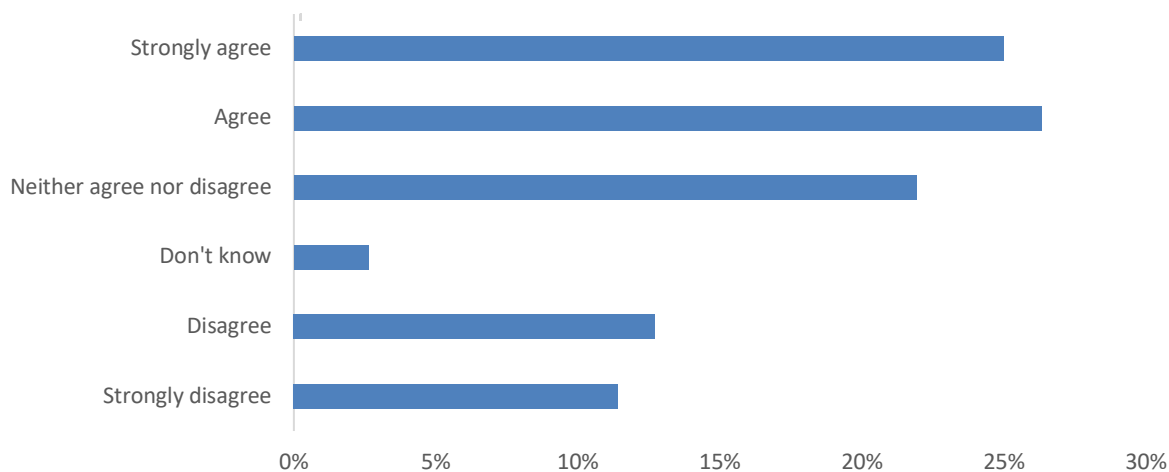


Question 2 [Option 2]: Do you agree with increasing the current earnings disregard level?

There was a total of 228 responses to this question.

Of these, 117 participants (51%) indicated that they agreed with Option 2 – the increase of earnings disregard from £25 per week to £30 per week as proposed by the Isle of Wight Council. 55 participants (24%) stated that they did not agree with Option 2 and 56 participants (25%) responded that they were unsure whether they agree or disagree. A further 46 participants chose not to answer this question.

Q2: Increase the current earning disregard level?

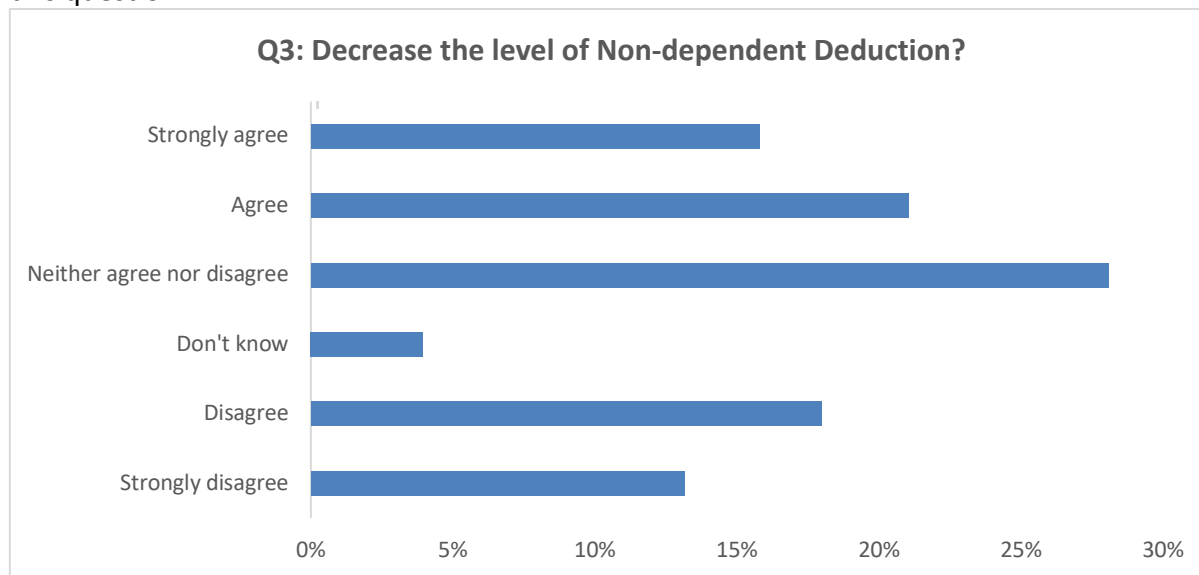


Question 3 [Option 3]: Do you agree with decreasing the level of Non-Dependant Deduction?

There was a total of 228 responses to this question.

Of these, 84 participants (37%) indicated that they agreed with Option 3 - to decrease the level of non-dependant deduction from £2 per week to £1 per week as proposed by the Isle of Wight Council.

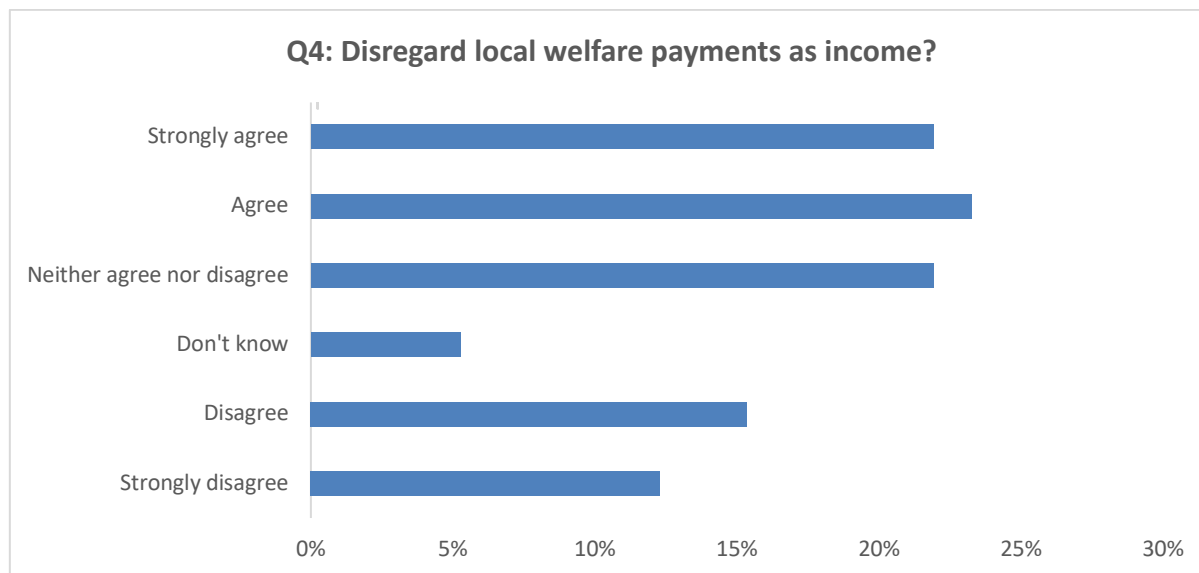
71 participants (31%) stated that they did not agree with Option 3 and 73 participants (32%) responded that they were unsure whether they agree or disagree. A further 46 participants chose not to answer this question.



Question 4 [Option 4]: Do you agree with disregarding local welfare payments as income?

There was total of 228 responses to this question.

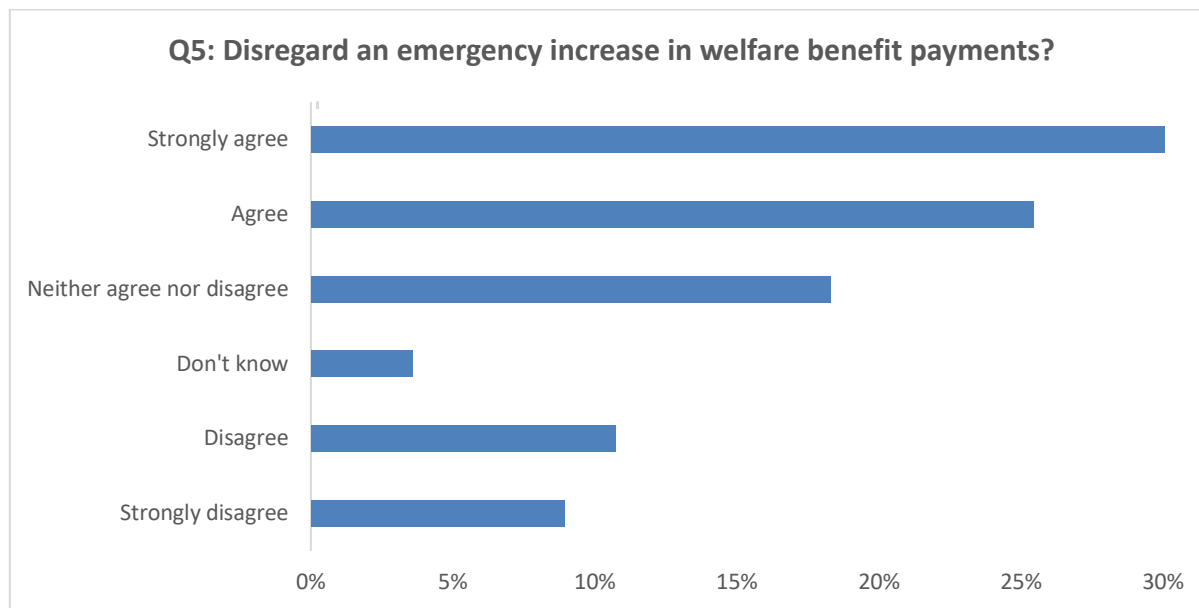
Of these, 103 participants (45%) indicated that they agreed with Option 4 – to disregard local welfare payments as income as proposed by the Isle of Wight Council. 63 participants (27%) stated that they did not agree with Option 4 and 62 participants (27%) were unsure whether they agree or disagree. A further 46 participants chose not to answer this question.



Question 5 [Option 5]: Do you agree with disregarding an emergency increase in welfare benefit payments?

There was a total of 224 responses to this question.

Of these, 131 participants (58%) indicated that they agree with Option 5 – to disregard an emergency increase in welfare payments as proposed by the Isle of Wight Council. 44 participants (20%) stated they did not agree with Option 5 and 49 participants (22%) were unsure whether they agree or disagree. A further 50 participants chose not to answer this question.



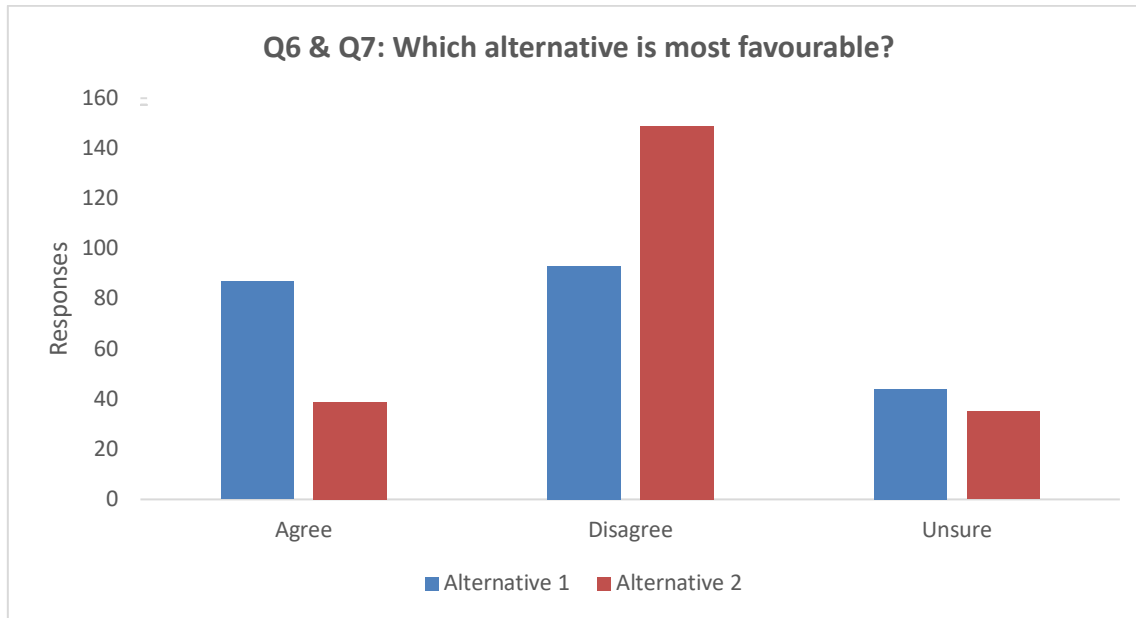
Question[s] 6 and 7 [Alternative 1 and 2]: Do you agree with Alternatives 1 and 2?

The consultation described two alternatives to the proposed scheme changes– whether the scheme should stay the same as it currently is (Alternative 1), or whether there should be a reduction in the maximum level of Local Council Tax Support to 60% to find savings.

The graph below illustrates the preference of the two Alternatives to the participants by asking whether they agreed or disagreed with each proposed Alternative.

There were 224 responses to these questions.

Of these, 87 participants (39%) indicated that they agreed with Alternative 1, whereas 93 participants (42%) indicated that they did not agree; while a further 44 participants (20%) were unsure. 39 participants (17%) indicated that they agreed with Alternative 2, whereas 149 participants (67%) indicated that they did not agree; while a further 35 participants (16%) were unsure. A further 50 participants chose not to answer these questions.



Question 8 [Alternative 1 and 2]: If the council was to choose these alternative options to make savings, what would be your order of preference?

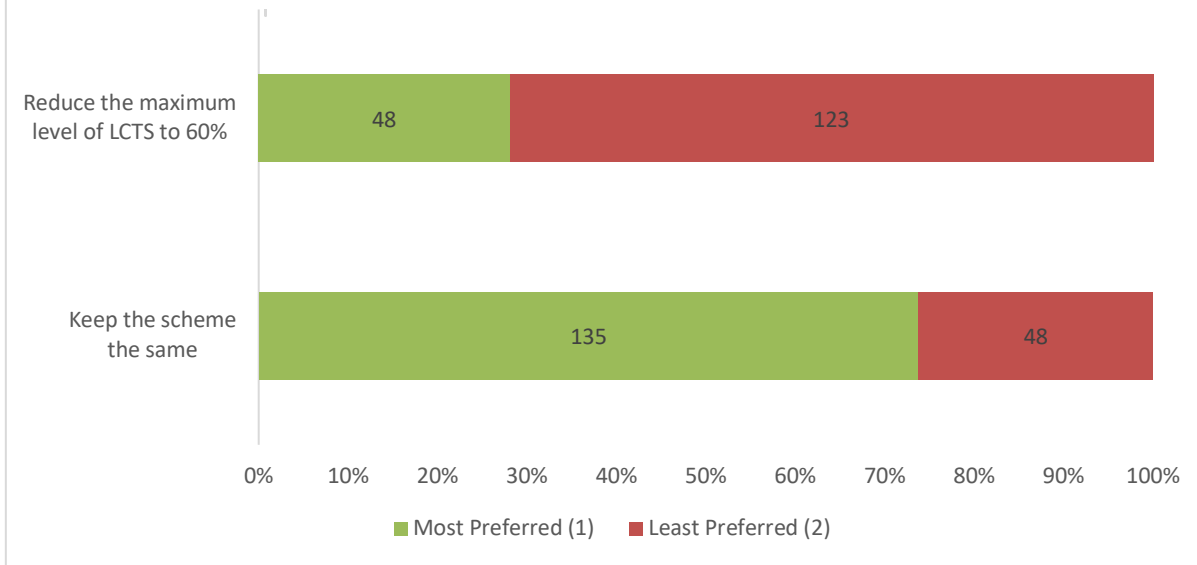
The table and graph below detail how the participants of the consultation ranked the Alternative options in order of preference from 1 and 2, where a score of 1 indicates the most preferred Alternative and 2 indicates the least preferred Alternative.

The table shows that 135 participants stated their most preferred alternative was to keep the scheme as it is currently, and 123 respondents stated their least preferred alternative was to reduce the maximum support to 60%.

Order of Preference	Keep the Scheme the Same (Alternative 1)	Reduce maximum support to 60% (Alternative 2)
Most Preferred (1)	135	48
Least Preferred (2)	48	123

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

Q9: Preferential ranking of savings alternatives

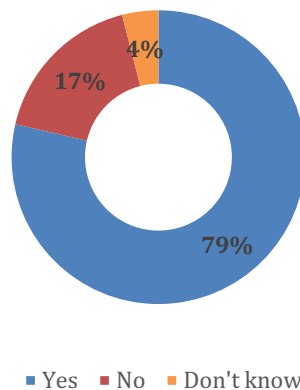


Question 11: Are you, or someone in your household, getting Local Council Tax Support at this time?

There was a total of 201 responses to this question.

Of these, 158 participants (79%) indicated that they are in receipt of Local Council Tax Support at the time of the consultation while 35 participants (17%) answered that they were not. 8 participants (4%) did not know whether they are getting Local Council Tax Support at this time. A further 73 participants chose not to answer this question.

Q11: The proportion of participants who are in receipt of LCTS at the time of the consultation



The following changes are recommended for the 2023/24 Council Tax Reduction scheme:

- (a) Increase the maximum level of support from 65 per cent to 70 per cent;
- (b) Increase the earnings disregard to £30 from the current £25;
- (c) Decrease the Non-dependent deduction rate to £1 per week;
- (d) Add a local welfare payment disregard to mirror Housing Benefit regulations; and
- (e) Where Central Government increases the amount of any welfare benefit payments due to a crisis or as an emergency provision, the council reserves the right to disregard any increase as thought necessary to protect the entitlement of any Council Tax Reduction.

Appendix 2
Consultation response by the Police & Crime Commissioner & the Fire and Rescue Service

Hampshire and Isle of Wight Fire and Rescue Authority

Response to Council Tax Support Consultation

Thank you for consulting Hampshire and Isle of Wight Fire and Rescue Authority about proposed changes to the council tax support scheme for the Isle of Wight.

Your letter requests views on the volatility of the council tax base and council tax yield in future years. Funding stability is important for the fire authority, in order to help maintain a consistent level of service. The authority accordingly prefers the council tax base to be managed in a way which reduces volatility. Our budget plans also assume that there will be growth to the council tax base each year due to factors such as new housing developments. Funding pressures and grant constraints means that council tax is an extremely important source of funding for fire and rescue services.

The consultation proposes several options for changes to the scheme, all of which make it slightly more generous to those receiving support. They can be grouped into two categories.

One group of items (options 4 and 5) involves allowing the scheme to disregard changes to local and national welfare and special payments. This seems a sensible change to make and keeps the scheme in line with how other benefits, such as housing benefit, assess these. It means that households will not for instance lose council tax support if they receive Government help with energy bills. It will also ensure that people do not get penalised for supporting important initiatives such as Homes for Ukraine.

The other group of proposals (options 1, 2 and 3) involve changes to support levels, the earnings disregard and the non-dependent deduction rate. Isle of Wight Council, as the authority responsible for running the scheme, will best know the circumstances of existing recipients. This should guide the design of the scheme, so without holding this detailed data we do not wish to comment on exactly where the thresholds should be set. We believe that a good scheme should though follow two general principles. Firstly, support should be prioritised for the most vulnerable, which your scheme appears to do. Secondly, the cost of the scheme needs to be carefully managed, as it reduces the amount of council tax income received to fund vital fire and rescue services. We note that the proposals all slightly increase the cost of the scheme and thus will reduce council tax income. However, we also fully appreciate that many households are currently under pressure from the rising cost of living. The increased cost of the scheme is also relatively modest. We are therefore content with these changes if Isle of Wight Council considers these new thresholds to be appropriate.

6 September 2022

Your reference: WP/DV/LM

Mrs Wendy Perera
Chief Executive – Interim
Isle of Wight Council
County Hall
High Street
Newport
Isle of Wight
PO30 1UD

By email: wendy.perera@iow.gov.uk

Dear Mrs Perera

Thank you for consulting me, in my duty as Police and Crime Commissioner, about Isle of Wight Council's proposed changes to its council tax support scheme.

The first group of proposals relate to changes to scheme thresholds (options 1, 2 and 3 - support levels, earnings disregard and the non-dependent deduction rate). Isle of Wight Council, through its responsibility for administering the council tax support scheme, will best know the circumstances of existing recipients. This should guide the setting of thresholds, so without holding this detailed data I do not wish to prescribe to the Council exactly where it should set these thresholds.

The other proposals (options 4 and 5) involve disregarding changes to local and national welfare and special payments. This seems reasonable as it will match how other benefits treat these. Households will not for instance lose council tax support if they receive Government help with energy bills or be penalised for supporting Homes for Ukraine.

I believe that a well-designed council tax support scheme should follow two key principles. Firstly, support should be prioritised for the most vulnerable, which the Isle of Wight's scheme appears to do. Secondly, the costs of the scheme need to be carefully managed, as granting support reduces the amount of council tax income available to me as the PCC. The proposed

Appendix 3
Consultation response from local preceptors

Town and Parish Council responses to Local Council Tax Support Consultation 2023/24

Town & Parish Council	Comments
East Cowes Town Council	The Council agreed with Option 1, strongly agreed with Option 2, strongly agreed with Option 3, strongly agreed with Option 4 and strongly agreed with Option 5, and the views were made on behalf of the community of East Cowes.
Northwood Parish Council	The consultation was considered at the meeting on Tuesday 6 September and the Council resolved to support whatever measure gives assistance to those most in need.
Cowes Town Council	We would welcome the opportunity to give more support to families on low income and increase in the level of support would be much welcomed.
Nettlestone and Seaview Parish Council	The council neither agreed nor disagreed with Option 1, neither agreed nor disagreed with Option 2, neither agreed nor disagreed with Option 3, neither agreed nor disagreed with Option 4 and strongly agreed with Option 5. The council are in favour of Option 5 but no other changes.
Ryde Town Council	The Council voted for option 1 at our Full Council meeting on Monday 5 th September 2022.
Shanklin Town Council	Members noted the consultation document and resolved that they would comment individually if they so wished.
Newport and Carisbrooke Community Council	At the meeting held Monday 5 September it was unanimously decided amongst members that Newport and Carisbrooke Community Council support option one within the consultation. The council would welcome this increase as it would see those in need receive the much-needed support that they require during this increasingly tough period. Although the Community Council would like to see this increase further in the future, the cost

that comes with implementing and provided this is substantial.

Bembridge Parish Council

The Council neither agreed nor disagreed with Option 1, neither agreed nor disagreed with Option 2, neither agreed nor disagreed with Option 3, strongly agreed with Option 4 and agreed with Option 5.

Calbourne, Newtown and Porchfield Parish Council

The Council resolved that the Parish Council supported Option 1 to return the Council Tax support to 70%. The Parish Council considered that the Isle of Wight Council should support low-income households where a relatively small increase would provide a significant uplift to such households. It also resolved to support options 2 to 5 that as additional marginal support mechanisms that provide a fairer approach for the Council Tax support scheme. The Parish Council resolved that in the unfortunate circumstances that the Isle of Wight Council chose not to return to 70% Council Tax Support that the rate should remain at 65%.

Appendix 4
Action and Improvement Plan

To make changes to the Council Tax Reduction scheme for the financial year 2023/24

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 Disability Gender Reassignment Marriage & Civil Partnership Pregnancy & Maternity Race Religion / Belief Sex (male or female) Sexual Orientation	Positive, as the scheme will become more generous. All options increase the potential support that can be received	No	Not applicable	An exceptional hardship fund will continue to be available for those claimants in most severe financial need, although it is anticipated that with a more generous scheme, the need for the fund may reduce.
HR & workforce issues	Minor changes to work processes in line with the new scheme. With more support available, less collection and recovery action potentially will be less.			
Human Rights implications if relevant	Not applicable			

Appendix 5 Recommendations

It can be seen from the above that all of the proposed changes to the Council Tax Support scheme have received overwhelmingly positive responses from consultations with the public, the major precepting authorities and from local precepting authorities.

In view of this **and** the recommendations for the 2023/24 financial year are as follows:

- Option 1** – Increasing the maximum level of support from 65 per cent to 70 per cent;
- Option 4** – Adding a local welfare payment disregard to mirror Housing Benefit regulations; and
- Option 5** – Where Central Government increases the amount of any welfare benefit payments due to a crisis or as an emergency provision, the council reserves the right to disregard any increase as thought necessary to protect the entitlement of any Council Tax Reduction

The recommendation is to proceed with the above changes.

- Option 2** – Increasing the earnings disregard to £30 from the current £25;
- Option 3** – Decreasing the Non-dependent deduction rate to £1 per week;

Due to the relatively small number of cases affected, it is recommended that the Council does not proceed with Options 2 and 3 at this time.