

**Isle of Wight Council**  
**Second Stage Equality Impact Assessment**  
**Council Tax Reduction Scheme 2025-26**

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## The Council Tax Reduction Scheme for 2025/26

### 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 1<sup>st</sup> April 2019**

16. Minor changes were made to the scheme with effect from 1<sup>st</sup> 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 1<sup>st</sup> 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	
<b>1</b>	70%	<b>in receipt of a disability benefit</b>					
<b>2</b>	70%	<b>in receipt of a passported benefit</b>					
<b>3</b>	70%	£0.00 - £115.00	£0.00 - £250.00	£0.00 - £210.00	£0.00 - £140.00	£0.00 - £75.00	
<b>4</b>	60%	£115.01 - £165.00	£250.01 - £300.00	£210.01 - £260.00	£140.01 - £190.00	£75.01 - £125.00	
<b>5</b>	40%	£165.01 - £215.00	£300.01 - £350.00	£260.01 - £310.00	£190.01 - £240.00	£125.01 - £175.00	
<b>6</b>	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 1st April 2021

24. From 1<sup>st</sup> 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:

		<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 +

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

## Changes made from 1st April 2022

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:



		HOUSEHOLD				
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 +

## Changes made from 1st April 2023

29. For 2023/24, the Council made the following changes:

- Increased the maximum level of support from 65 per cent to 70 per cent;
- Added a local welfare payment disregard to mirror Housing Benefit regulations; and
- Added an additional provisions whereby if 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. For 2023/24, the income levels and discounts were as follows:

Band	Level of LCTS	Couple with children	Couple with no children	Single parent with one child	Single parent with two or more children	Single person
1	70%	In receipt of a Passport benefit				
2	70%	£0.00 - £290.00	£0.00 - £135.00	£0.00 - £165.00	£0.00 - £245.00	£0.00 - £85.00
3	60%	£290.01 - £340.00	£135.01 - £185.00	£165.01 - £215.00	£245.01 - £295.00	£85.01 - £135.00
4	40%	£340.01 - £390.00	£185.01 - £235.00	£215.01 - £265.00	£295.01 - £345.00	£135.01 - £185.00
5	20%	£390.01 - £440.00	£235.01 - £285.00	£265.01 - £315.00	£345.01 - £395.00	£185.01 - £235.00
6	0%	£440.01+	£285.01+	£315.01+	£395.01+	£235.01+

## Changes made from 1st April 2024

31. For 2024/25, Full Council decided to increase the maximum level of support to 75 per cent in line with the table below:

Band	Level of LCTS	Couple with children	Couple with no children	Single parent with one child	Single parent with two or more children	Single person
1	75%	Passport benefit	Passport benefit	Passport benefit	Passport benefit	Passport benefit
2	75%	£0.00 - £310.00	£0.00 - £145.00	£0.00 - £175.00	£0.00 - £260.00	£0.00 - £95.00
3	65%	£310.01 - £360.00	£145.01 - £195.00	£175.01 - £225.00	£260.01 - £310.00	£95.01 - £145.00
4	45%	£360.01 - £410.00	£195.01 - £245.00	£225.01 - £275.00	£310.01 - £360.00	£145.01 - £195.00
5	25%	£410.01 - £460.00	£245.01 - £295.00	£275.01 - £325.00	£360.01 - £410.00	£195.01 - £245.00
6	0%	£460.01+	£295.01+	£325.01+	£410.01+	£245.01+

## Proposed Changes for 2025/26

32. For 2025/26, the following proposed scheme is being recommended:
- To maintain all existing elements of the current scheme, aside from changes (b)-(e) below
  - Removing the additional earnings disregard of £17.10 per week, and increase the standard earnings disregard from £25 per week to £45 per week;
  - Removing the 'extended reductions' element of the scheme;
  - Disregarding childcare costs (in line with Housing Benefit) and the childcare element of Universal Credit;
  - Disregarding any payments made under the following:
    - Post Office Compensation scheme;
    - Vaccine Damage payments as income and capital; and
    - Infected Blood Inquiry payment as income and capital
33. Each of the above are examined below:

### Maintaining all elements of the existing scheme.

34. Due to the need to continue to support low income households, the Council is minded to continue with the same scheme elements, including the maximum level of support and exceptional hardship policy.

### **Removing the additional earnings disregard of £17.10 per week, and increase the standard earnings disregard from £25 per week to £45 per week**

35. Earnings disregards are provided as an incentive for applicants and to 'make work pay'. Currently £25 per week is disregarded from the applicant's wages (or their partner's if they have one). Where the applicant (or partner) works for an average of 16 hours a week or more, an additional disregard of £17.10 per week is awarded.
36. The proposal is to remove the additional earnings disregard but to increase the standard disregard to £45 per week. This would assist any working applicant further and also remove the administrative requirement to check for the actual amount of hours worked per week.

### **Removing the 'extended reductions' element of the scheme.**

37. The extended reduction scheme was introduced when the primary benefits were jobseeker's allowance, income support and employment and support allowance. It was designed as an encouragement for applicants to either move into work or to increase the number of hours worked. As these benefits are no longer available and that any applicant would need to apply for Universal Credit, the scheme is no longer relevant.
38. The extended reduction scheme is not available to Universal Credit applicants.

### **Disregarding childcare costs (in line with Housing Benefit) and the childcare element of Universal Credit**

39. A number of applicants are required to pay child care charges which assists them in getting back to work. If they receive Universal Credit, they will receive the child care element.
40. The proposal is to change the scheme as follows:
  - where the applicant is in receipt of Universal Credit, the child care element will be disregarded in the calculation of Council Tax Reduction;
  - where the applicant is not in receipt of Universal Credit but is in remunerative work (works an average of 16 hours per week or more) and pays child care charges an amount of up to £175 per week will be made from earnings where there is one dependant child receiving child care and up to £300 per week where there are two or more dependant children receiving child care. This disregard will follow the rules as applied to Housing Benefit and will not be allowed in the case of a couple unless both are in remunerative work or one is in work and the other is disabled, incapacitated or in hospital.

### **Disregarding any payments made under the following:**

- **Post Office Compensation scheme;**
- **Vaccine Damage payments; and**
- **Infected Blood Inquiry payments.**

41. All of the above payments have already been disregarded for Housing Benefit, Universal Credit and for the pension age Council Tax Reduction scheme. In order to align the Council's working age Council Tax Reduction scheme, it is proposed that, should any applicant receive any of the defined payments, they will be disregarded in the calculation of either income or capital

### **Scope of the Equality Impact Assessment**

42. This Equality Impact Assessment is designed to examine any potential effects of proposed scheme change. Changing the scheme for 2025/26 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**

43. 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 feels it was important to obtain their views.

### **Action and Improvement Plan**

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

### **Recommendations**

45. The recommendations for the 2025/26 Council Tax Reduction scheme are shown within Appendix 5.

**Appendix 1**  
**Consultation Responses - Public**

## Results from the IWC Local Council Tax Support Scheme Consultation 2025/26

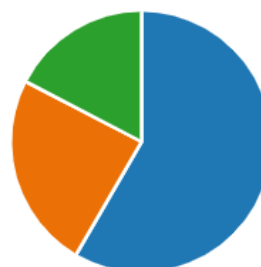
The above consultation was undertaken between 29 July and 23 September 2024. On completion, a total of 161 responses had been received. The charts below detail the responses received for each question asked of the participants.

### Question 2: Do you agree with maintaining all aspects of the current scheme, aside from aspects 2 – 7 following?

There was a total of 161 responses to this question.

Of these, 94 participants (58%) indicated that they agreed with the proposed scheme. 39 participants (24%) did not agree with this and 28 (17%) of participants responded that they were unsure whether they agree.

● Yes (agree)	94
● No (disagree)	39
● Don't know	28



### Question 3: Do you agree with replacing the current earnings disregards with one standard earnings disregard?

There was a total of 161 responses to this question.

Of these, 85 participants (53%) indicated that they agreed with replacing the current earnings disregards with one standard earnings disregard, as detailed in the consultation. 48 participants (30%) stated that they did not agree with this, and 28 participants (17%) responded that they were unsure whether they agree or disagree.

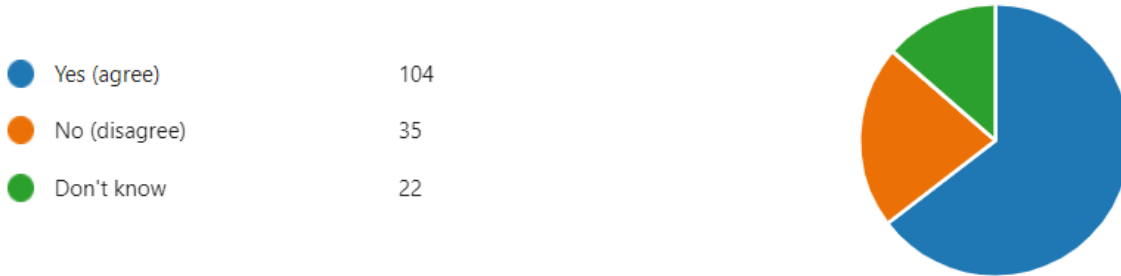
● Yes (agree)	85
● No (disagree)	48
● Don't know	28



**Question 4 : Do you agree with removing the ‘extended reductions’ element of the scheme?**

There was a total of 161 responses to this question.

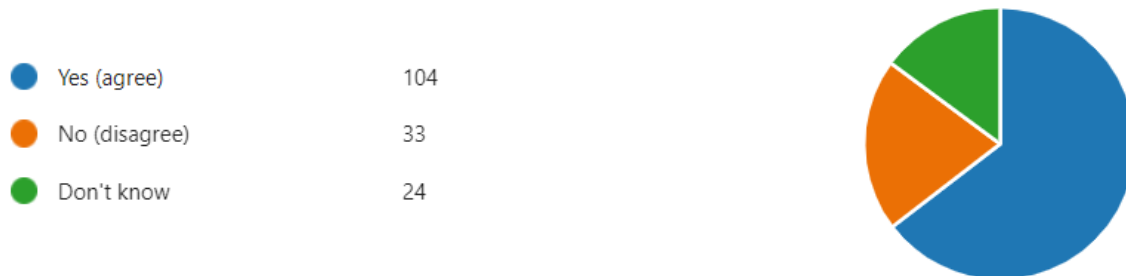
Of these, 104 participants (65%) indicated that they agreed with removing the extended reductions element of the scheme. 35 participants (22%) stated that they did not agree with this and 22 participants (14%) responded that they were unsure whether they agree or disagree.



**Question 5: Do you agree with removing the childcare costs and disregarding the childcare element of Universal Credit from the calculation of LCTS?**

There was a total of 161 responses to this question.

Of these, 104 participants (65%) indicated that they agreed with the changes to childcare as described in the consultation. 33 participants (20%) answered that they disagreed with this. 24 participants (15%) did not know whether they agree or disagree.



**Question 6: Do you agree with disregarding Post Office Compensation scheme payments?**

There was a total of 161 responses to this question.

Of these, 100 participants (62%) indicated that they agreed with disregarding these payments. 35 (22%) answered that they disagreed with this, and 26 participants (16%) did not know whether they agree or disagree.

● Yes (agree)	100
● No (disagree)	35
● Don't know	26



**Question 7: Do you agree with disregarding Vaccine Damage payments?**

There was a total of 161 responses to this question.

Of these, 104 participants (65%) indicated that they agreed with disregarding these payments. 33 (20%) answered that they disagreed with this, and 24 participants (15%) did not know whether they agree or disagree.

● Yes (agree)	104
● No (disagree)	33
● Don't know	24



**Question 8: Do you agree with disregarding Infected Blood Inquiry payments?**

There was a total of 161 responses to this question.

Of these, 102 participants (63%) indicated that they agreed with disregarding these payments. 38 (24%) answered that they disagreed with this, and 21 participants (13%) did not know whether they agree or disagree.



● Yes (agree)	102
● No (disagree)	38
● Don't know	21



**Question 9: Do you think that the scheme should continue unchanged as opposed to making the above proposed changes?**

There was a total of 161 responses to this question.

Of these, 71 participants (44%) indicated that they agreed that the scheme should remain unchanged as opposed to the proposed scheme. 61 (38%) answered that they disagreed with this, and 29 participants (18%) did not know whether they agree or disagree.

● Yes (agree)	71
● No (disagree)	61
● Don't know	29



**Question 12: Are you, or someone in your household, getting Local Council Tax Support at this time?**

There was a total of 161 responses to this question.

Of these, 93 participants (58%) indicated that they, or someone in their household, are getting LCTS at the time of the consultation. 62 (39%) answered that they are not in receipt of LCTS, and 6 participants (4%) did not know whether they are in receipt of LCTS.

● Yes	93
● No	62
● Don't know or not sure	6



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

# Hampshire and Isle of Wight Fire and Rescue Authority



**Hampshire  
& Isle of Wight**  
FIRE & RESCUE SERVICE

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Chief Executive  
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27 August 2024

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Dear Wendy

## **Hampshire and Isle of Wight Fire and Rescue Authority Response to Council Tax Support Scheme 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.

We believe that 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 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. 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.

The changes proposed in the consultation can be grouped into two categories. The first involves various changes to align the scheme better with Universal Credit, such as simplifying disregards. We agree with the principle of this as a scheme which works well with other major benefits should provide more certainty to recipients and avoid volatility, such as the proposals to address the issues caused by fluctuations in universal credit childcare payments.

The second set of changes involves disregarding compensation payments for three schemes (Post Office Compensation, Vaccine Damages and the Infected Blood Inquiry). We agree with this change as it would feel unjust for people to have some of their compensation for these items taken away.

We also welcome that the scheme continues to have elements aimed at helping the most vulnerable. The cost of the scheme appears to remain broadly the same as before, which we are content with.

Your letter also requests views on the volatility of the council tax base and council tax yield in future years. Our views on this remain the same as in previous 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.

Yours sincerely



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**Catherine Edgecombe**  
Chief Financial Officer  
Hampshire and Isle of Wight Fire and Rescue Service

## Police & Crime Commissioner Hampshire & Isle of Wight



Wendy Perera, Chief Executive  
Isle of Wight Council  
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Newport  
Isle of Wight, PO30 1UD

By email: [wendy.perera@iow.gov.uk](mailto:wendy.perera@iow.gov.uk)

Your ref: WP/LM

21 August 2024

Dear Wendy

**Re: Local Council Tax Support Scheme Consultation**

Thank you for your recent letter making me aware of your proposed consultation regarding the planned changes to the Isle of Wight council tax support scheme.

I am pleased to confirm my support of the proposed changes and the council's desire to make the scheme fairer.

Yours sincerely



**Donna Jones**  
Police and Crime Commissioner for Hampshire & Isle of Wight

**Appendix 3**  
**Consultation response from local preceptors**

## **Town, Parish, and Community Council responses to Local Council Tax Support Consultation 2025/26**

Below are the responses received from town, parish and community councils regarding the consultation up to 23 September 2024.

### **Town, Parish, and Community Council**

### **Comments**

Northwood Parish Council

Northwood Parish Council reviewed the Local Council Tax Support Scheme being proposed at their meeting last night and are in support of the scheme and would like to see more support schemes simplified in this way.

Brading Town Council

Councillors discussed this at our monthly meeting and decided that the scheme stay the same, as it currently is, with no reductions.

Cowes Town Council

Cowes Town Council supports the current LCTS as it stands.

Chale Parish Council

Chale Parish Council met and discussed the consultation. They are in support of the IWC recommendations.

Arreton Parish Council

There are no comments from Arreton Parish Council.

Fishbourne Parish Council

Fishbourne Parish Council support the changes proposed to the Local Council Tax Support Scheme.

Wootton Bridge Parish Council

Wootton Bridge Parish Council supports the proposals.

Bembridge Parish Council

Bembridge Parish Council supports the proposed scheme.

East Cowes Town Council

It was agreed that the Council support the proposed "No change" option but with the proviso that consideration is given for hardship funding cases.

**Appendix 4**  
**Action and Improvement Plan**



## To make changes to the Council Tax Reduction scheme for the financial year 2025/26

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	No	No - all proposals made for 2025/26 will either leave support the same for applicants or potentially increase support	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	Staff will be required to adopt new processes . In the main the changes will have no effect on overall administration			
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 the following proposed changes are proposed for 2025/26:

- (a) Maintaining all of the elements of the existing scheme except (b) to (e) below:
- (b) Removing the additional earnings disregard of £17.10 per week, and increase the standard earnings disregard from £25 per week to £45 per week;
- (c) Removing the 'extended reductions' element of the scheme;
- (d) Disregarding childcare costs (in line with Housing Benefit) and the childcare element of Universal Credit; and
- (e) Disregarding any payments made under the following:
  - Post Office Compensation scheme:
  - Vaccine Damage payments as income and capital; and
  - Infected Blood Inquiry payment as income and capital.