



# COUNCIL TAX REDUCTION CONSULTATION

TOWN COUNCIL MEETING

REPORT 71/16

10 OCTOBER 2016

The purpose of this paper is ask Members to determine the Town Council's response to the current consultation on proposals for changes to the Council Tax Reduction Scheme.

## No. DETAIL

### 1) BACKGROUND

- a) As part of the Isle of Wight Council's attempt to balance its 2017/18 Budget it is consulting on seven options for reducing the cost of the discounts currently available to Council Tax payers on low income: it opened on 15 September and closes on 10 November.
- b) The consultation document states that it has a budget gap of £12.5M for the next financial year and the yearly savings from implementing the seven options range from £320 (Option 7) to £487,600 (Option 2b).
- c) Any or all of the options could be adopted when the IoWC makes its decision at the full Council Meeting of 18 January 2017.
- d) The consultation is open to all residents and organisations including Town & Parish Councils.

### 2) OPTIONS

- a) The Options and their impact are summarised in the table below; the full consultation document, with case studies, is available at [this link](#).

Option	Description	No. affected	Saving
1a	Reducing maximum support level from 80% to 75%	5,210	£242,000
1b	Reducing maximum support level from 80%to 70%	5,287	£487,699
2	Reduce allowed absence from GB from 13 weeks to 4	Unknown	Unknown
3	Remove work related component in calculations for ESA claimants	Unknown	Unknown
4	Limit no. of dependent children included to 2 for births after 1/4/17	Unknown	Unknown
5	Remove entitlement to Severe Disability premium where Carer get U.C.	Unknown	Unknown
6	Limit relief to a maximum Council Tax Band C	79	£1,381
7	Set a minimum level of CTR support at £2 per week	57	£320

- b) These options can only be applied to residents on low incomes of working age: the government has excluded pensioners from any reductions in their entitlement to Local Council Tax Refund.
- c) These are very similar to those proposed at this stage last year and the Town Council set up a Working Group to examine them in detail; its recommendation to the meeting of 12 October 2015 was that none of the options be supported.

### 3) RECOMMENDATIONS

The Town Council is recommend to resolve that:

- a) none of the options set out in the consultation be supported;
- b) the Isle of Wight Council be informed that, notwithstanding the seriousness of its predicted Budget deficit for 2017/18, savings that affect only residents on low incomes are unacceptable.