



COUNCIL TAX SUPPORT SCHEME CONSULTATION

TOWN COUNCIL MEETING

REPORT 81/20

12 OCTOBER 2020

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

No. DETAIL

1) BACKGROUND

- There are currently 10,610 Island residents that receive discounts in respect of their Council Tax payments under the Local Council Tax Support Scheme in a total amount of £10.2 million.
- As part of the Isle of Wight Council's attempt to balance its 2021/22 Budget it is consulting on six options for reducing the cost of the discounts currently available to Council Tax payers on low income.
- The consultation document states that it has a predicted budget gap of £3.5M for the financial year 2021/22 that may be increased by the net cost to the Council of Covid-19 related consequences.

2) OPTIONS

- The yearly savings from implementing any or all of the six options range from £7,758 to £670,985.
- The options and their impact are summarised in the table below; the full consultation document, with case studies, is available [here](#).

Option	Description		Saving	No. affected by over £2 a week
1	Reduce the maximum level of support	65%	£336,124	0
		60%	£670,985	3,693
2	Remove blanket protection of claimants receiving a disability benefit	No income disregard	£441,354	709
		£50 a week disregard	£293,644	544
3	Remove Carers Allowance disregard		£26,186	73
4	Reduce earnings disregard	£20 a week	£7,758	30
		£15 a week	£19,578	78
5	Increase non-dependent reduction	£4 a week	£27,055	210
		£5 a week	£39,251	210
		£7.50 a week	£67,157	212
6	Disregard housing element of Universal Credit		-£321,438	702

- 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.

3) RECOMMENDATION

The Town Council is recommend to resolve that:

- none of the options set out in the consultation be supported; and
- the Isle of Wight Council be informed that, notwithstanding its predicted Budget deficit for 2021/22, savings that affect only residents on low incomes are unacceptable.