

# AGENDA SUPPLEMENT (2)

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**Meeting:** Council  
**Place:** The Lansdown Hall - Civic Centre, St Stephens Place, Trowbridge. BA14 8AH  
**Date:** Tuesday 26 February 2013  
**Time:** 10.30 am

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**The Agenda for the above meeting was published on 15 February 2013 and indicated that the documents detailed below would be to follow. These are now available and are attached to this Agenda Supplement.**

Please direct any enquiries on this Agenda to James Hazlewood (01722 434250), of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line 01722 434250 or email [james.hazlewood@wiltshire.gov.uk](mailto:james.hazlewood@wiltshire.gov.uk)

Press enquiries to Communications on direct lines (01225)713114/713115.

This Agenda and all the documents referred to within it are available on the Council's website at [www.wiltshire.gov.uk](http://www.wiltshire.gov.uk)

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14 **Councillors' Questions** *(Pages 1 - 8)*

Attached are the three remaining responses (to questions 7, 12 and 13).

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DATE OF PUBLICATION: 25 February 2013
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**Wiltshire Council**

**Council**

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**Item 14 (4) - Questions from Councillors**

**From Councillor Jon Hubbard, Melksham South Division**

**To**

**Councillor John Thomson, Deputy Leader and Cabinet Member for Adult Care, Communities and Housing**

**Question 7**

At the recent cabinet meeting held in Salisbury the Cabinet Member gave me an assurance that he would be asking officers to revisit the decision not to issue emergency cash loans as part of the council's new crisis support scheme.

I was disappointed to note that no mention of this was to be found in the draft minutes of the meeting.

Is the cabinet member able to assure me that this was an error of omission and that this work is indeed being undertaken and could he outline for me when we can expect to see the revised plan?

**Response**

This will be confirmed as a basic omission in minutes and will be corrected at the next cabinet meeting.

The scheme is new and will be reviewed during its first six months of operation by which time we should have established more detail regarding demand and need.

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**Item 14 (7) - Questions from Councillors**

**From Councillor Chris Caswill, Chippenham Monkton Division**

**To**

**Councillor John Thomson, Deputy Leader and Cabinet Member for Adult Care, Communities and Housing**

**Question 12**

In the light of growing national concern about the combined effects of benefit changes on the poorest section of our society, do you now regret passing up the opportunity to protect residents in Council Tax Bands A and B from the removal of their Council Tax relief?

Do you see an opportunity to review this decision, and if so when?

**Response**

Wiltshire Council is subject to a significant loss in revenue as a result of the Government's decision to end the funding of council tax benefit scheme, in full. The scheme is abolished with effect from 1st April 2013 and replaced by a local scheme called Council Tax Reduction.

The current fully funded scheme awarded £27.1 million in council tax benefit in 2012/13. Next year funding of the local scheme will fall by £6 million. This means that the local scheme cannot be as generous without significant cuts to a range of services.

In order to design a new local scheme a number of options were considered. As part of the design process, the council were obliged to consult with residents and stakeholders upon the options. Almost 1000 responses were received of which 662 agreed that households should contribute 20% toward their council tax. A number of charities contributed to the process and the final draft was developed in consultation with the Wiltshire Citizens Advice Bureau.

From April those of working age and who are not considered vulnerable\* will have their council tax reduction awarded on 80% of their full council tax. Those who qualify for the maximum reduction will therefore have to pay the remaining 20%. For a family in a band A dwelling, this will mean paying around £200 per year toward council tax, whilst a qualifying family in a band E

dwelling would pay £373.00. This figure will fall by 25% for those who live alone.

We believe this to be a sufficiently steep taper, built into the scheme.

Band	A	B	C	D	E	F	G	H
Charge	£202	£235	£269	£303	£370	£437	£505	£606
Claimants	3432	4288	3070	765	288	90	27	2

(These figures are based on an average band d charge of £1515.25 for 2012/13)

If we were to exempt those living in band A & B properties the additional cost of £1,700,944 or rather loss of benefit would be shared amongst 4242, rather than the 12,000 families currently affected.

Based on the thorough analysis of the caseload, the numbers affected and the results of the consultation, we believe that the final scheme recognises the banding issue but it cannot afford to fully protect those in band A and B dwellings. This would pass a disproportionate financial burden on to those living in properties with higher bands.

The award of other means tested benefits does not take into consideration the value of the property in which the claimant lives. Income levels of those on benefit are the same regardless of the size of dwelling they live in, and to further penalise those in larger homes does not engender the scheme with any sense of fairness or proportion.

The scheme is designed to protect the most vulnerable, to simplify operation and encourage those who can, to work. This means that the vulnerable will not have to pay the additional 20%. \* "Vulnerable" in this context means those households where anyone in the family qualifies for one of the disability premiums, or is in receipt of any of the war widow(er)'s pensions or war disablement pensions

If a property is significantly larger, then the scheme has been designed to encourage home owners to let room to lodgers, families or friends, by reducing the non-dependant deduction to the lowest standard rate.

Past experience has shown that a scheme based on valuation band is flawed. In the mid 1990s a national scheme was introduced to limit benefit being awarded to properties in Band E and above. The scheme lasted two years before it was abandoned for being unfair and for creating debt that was very difficult to recover.

To build a scheme based on valuation band incorporates a degree of complexity that the proposed scheme seeks to remove wherever possible. The scheme was published via our web site, by the due dates, 31st January 2013. The council's budget has been set accordingly. Any change to the scheme would jeopardise the budget and the council's chances of issuing council tax bills for 2013/14.

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**Item 14 (8) - Questions from Councillors**

**From Councillor Chris Caswill, Chippenham Monkton Division**

**To**

**Councillor John Thomson, Deputy Leader and Cabinet Member for Adult Care, Communities and Housing**

**Question 13**

Which stakeholders did the Council consult on its way to abandoning all emergency cash awards in its Local Welfare Provision replacement of the previous Social Fund Crisis Loans and Community Care Grants?

Given that there were over 2000 Crisis Loan awards of an average of £51 and 580 Community Care Grants averaging just under £600 made in just six months in 2011, and that the DWP award rates for these two schemes were 84% and 76% respectively does he accept that the Social Fund met a genuine need for the people of Wiltshire?

And if so, what is his response to those people who will genuinely need small cash advances in the future? Are they simply to be referred to pay day loan providers, charging extortionate rates of interest, and guaranteeing continuation of the poverty cycle?

**Response**

**Consultation**

- Consultation was limited due to the late announcement in confirming the sum of available for Local Welfare Provision the council would have to distribute and the late clarification as to what it could be used for. Aspects of the existing scheme will still be delivered by the Department of Work and Pensions.
- Consultation so far has included the CAB, Wiltshire money, disabled groups and Department of Work and Pensions and the council's Welfare Reform Forum
- Consultation, particularly with users and the voluntary sector will continue and we will learn from feedback as the scheme develops

## **Awards and cash payments**

- The scheme has not been developed in isolation. A number of meetings have taken place between the council and The Department of Work and Pensions, who will be referring their customers to our scheme. They believe the current social fund scheme is not directed to those most in need and is wide open to abuse hence it's abolition.
- The Department of Work and Pensions is clear that we should not be trying to replicate the current scheme.
- The Department of Work and Pensions will continue to award cash advances to those who are awaiting income support and other welfare benefits ( funeral grants for example) they administer.
- Community care grants have, in the past, predominately been used to provide goods, not cash – they are usually items of essential furniture to help set up home or for rent deposits.
- The focus of the new scheme is on immediate need, food, warmth, shelter. With a budget of £617,000, this is £50k less to spend than the Department of Work and Pensions spent in Wiltshire during 2011/12. We need to ensure that the fund is directed to alleviate crisis and the best way of doing this, in many cases is by referral to the voluntary sector.
- Unlike the Department of Work and Pensions the council will signpost people to other means of support and discretionary payment, such as discretionary housing payments, which are also administered by the council's benefits service.
- The interviewing facilities at County Hall and Milford Street, Snuff Street and Monkton Park are already causing concern in terms of staff safety. To ask staff to make cash awards will most certainly place them at increased risk.
- The guidance from the Department of Work and Pensions and the feedback we have received from our staff who were involved in the administration of the social fund confirmed our concerns. Cash awards could leave the scheme open to abuse and cause the misdirection of funds from those who genuinely need them.
- The verification process would need to be far stricter if we were to make cash awards, thereby delaying awards to many people in genuine need.
- Unlike the Department of Work and Pensions the council will monitor and record every application and award. We will quickly build



information to determine need and use this information to review our approach and our policies.

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