

Subject:	Housing Benefit War Pension and Armed Forces Compensation Disregard Policy	Status:	For Publication
Report to:	Overview & Scrutiny	Date:	12 th June 2023
Report of:	Head of Customer Services & I.C.T.	Lead Member:	Housing and Customer Services
Key Decision:	<input type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception	<input type="checkbox"/> Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required: No	Attached:	No
Biodiversity Impact Assessment:	Required: No	Attached:	No
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1. RECOMMENDATION

- 1.1 That Overview and Scrutiny Committee consider the draft Housing Benefit War Pension and Armed Forces Compensation Disregard Policy as set out in this report and make recommendations to Cabinet.

2. EXECUTIVE SUMMARY

- 2.1 To review the arrangements for Housing Benefit made in respect of Section 134 8(a) of the Social Security Administration Act 1992, entitling Local Authorities to modify any part of the Housing Benefit scheme to provide for the disregarding of prescribed War Disablement Pensions/War Widow's pensions and Armed Forces Compensation Payments.
- 2.2 To provide clarity to reporting accountants on Rossendale Borough Council's approval of the disregard.
- 2.3 In March 2023 Rossendale Borough Council adopted its Armed Forces Covenant and the overarching statement 'We recognise the value Serving Personnel, both Regular and Reservists, Veterans and military families contribute to our business and our country' and this proposal supports the Covenant.

3. BACKGROUND

- 3.1 The Housing Benefit Regulations 2006 make provision for the first £10.00 of income from War Widows (Widowers)/War Disablement Scheme and Armed Forces Compensation Scheme payments to be disregarded in any benefit assessment. The cost of this disregard is fully reimbursed to the Council.
- 3.2 The Social Security Administration Act 1992 gives the Council discretion to disregard any amount it chooses in addition to the statutory provision. This provision is referred to as the 'local scheme'.
- 3.3 Rossendale Borough Council have disregarded 100% of funds received as War Widows (Widowers)/War Disablement Scheme and Armed Forces Compensation Scheme since April

2005. In addition, the local Council Tax Support scheme also contains a full disregard of these incomes and this has been in place since it was introduced in 2013. Council approves the CTS scheme on an annual basis.

- 3.4 Given the length of time that the 'local scheme' has operated in Rossendale, it is recommended that Members reconfirm that the prescribed War Disablement Pensions, War Widow's Pensions and Armed Forces Compensation payments continue to be fully disregarded in the calculation of Housing Benefit.
- 3.5 Subsidy arrangements mean that where a local amendment to the scheme is in operation, the local authority will only be compensated with 75% of any expenditure incurred up to a maximum of 0.2% of the total subsidy claimed in the relevant year.
- 3.6 In 2022-23 the full cost to the Council was £3,713 with £11,142 of the total expenditure of £14,855 met through Housing Benefit subsidy. The total number of claimants in receipt of the prescribed incomes have fallen over the past 10 years with only 5 customers in the 2022-23 subsidy year benefitting from the policy.

4. DETAILS

- 4.1 Section 134(8) of the Social Security Administration Act 1992 allowed councils to disregard up to 100% of War Pensions payments above the £10.00 per week disregard. The cost of this disregard is borne by the Council.
- 4.2 From April 2004, the Government agreed to subsidise 75% of the discretionary disregard councils made if the amount did not exceed 0.2% of the total Housing Benefit subsidy received. This means that the Council only pays for 25% of the discretionary disregard.
- 4.3 From April 2005, the War Pension and War Widowers Pension schemes were closed to applicants who were injured or became a widow/widower after this date and replaced by the Armed Forces Compensation Scheme. Payments from the Armed Forces Compensation Scheme were given the same statutory disregard in means tested benefits, including Housing Benefit.
- 4.4 The £10.00 disregard also applied to Council Tax Benefit, but when this was replaced by local Council Tax Support schemes in 2013, Rossendale Borough Council fully disregarded War Pensions, War Widow (Widowers) Pensions and Armed Forces Compensation payments. This is contained separately in the Local Council Tax Support Scheme Policy.
- 4.5 Last year, a number of Councils were asked to provide evidence that they had passed resolutions disregarding War Pensions, War Widow (Widower) Pensions and Armed Forces Compensation payments from Housing Benefit by external auditors. Many Councils no longer have the original documentation confirming the disregard and the auditors have agreed to accept the historic position but insist that Councils re-affirm their agreement to the disregard going forward. In March 2023 auditors asked Rossendale Borough Council to re-affirm their position before the next audit.
- 4.6 This report is to ask the Council to re-affirm the discretionary disregards for War Pensions, War Widow (Widowers) Pensions and Armed Forces Compensation payments in order to safeguard their finances.

5. RISK

- 5.1 To not have an approved War Pension Policy is not recommended as there would be no clear guidance on the agreed approach for claimants and to the Reporting Accountancy undertaking the Housing Subsidy review.
- 5.2 Amending the policy to disregard only part of the prescribed incomes would create a lack of consistency between the administration of Housing Benefit and Local Council Tax Support Scheme.
- 5.2 Revoking the policy and making no alteration to the Housing Benefit scheme in respect of these incomes would equally create a lack of consistency between the administration of Housing Benefit and the Local Council Tax Support Scheme.
- 5.3 Either of these changes would also potentially bring financial hardship to those in receipt of Housing Benefit by reducing their entitlement. Although this could bring a financial saving to the Council, it is likely that it will also create a compensating demand on the Discretionary Housing Payments Scheme, which is already severely strained and potentially create hardship for a specific group in the community.

6. FINANCE

- 6.1 Subsidy arrangements mean that where a local amendment to the scheme is in operation, the Local Authority will only be compensated with 75% of any expenditure incurred up to a maximum of 0.2% of the total subsidy claimed in the relevant year.
- 6.2 In 2022-23 the full cost to the Council was £3,713 with £11,142 of the total expenditure of £14,855 met through Housing Benefit subsidy. The total number of claimants in receipt of the prescribed incomes have fallen over the past 10 years with only 5 customers in the 2022-23 subsidy year benefitting from the policy.

7. LEGAL

- 7.1 Section 134(8)(a) of the Social Security Administration Act 1992 states that an Authority may modify any part of the Housing Benefit scheme administered by the Authority so as to provide for disregarding, in determining a person's income, the whole or part of any War disablement pension, war widow's pension or Armed Forces Compensation payments payable to that person.
- 7.2 The proposed continuation of the Policy will contribute to the well-being of local people most in need by retaining the level of financial support available.
- 7.3 To not have an approved Policy is not recommended as there would be no clear guidance on the agreed approach for claimants and would be contrary to the recommendations of the Council's auditors.

8. POLICY AND EQUALITIES IMPLICATIONS

- 8.1 The Housing Benefit War Pension and Armed Forces Disregard Policy applies equally to all claimants, therefore no equalities issues arise

9. REASON FOR DECISION

- 9.1 The Social Security Administration Act 1992 requires the Council to formally adopt any modification of the Housing Benefit scheme where the whole or part of any War Pension or Armed Forces payment is disregarded.

No background papers

Housing Benefit War Pension and Armed Forces Compensation Disregard Policy 2023

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Responsible Service	SAT and ICT	Version/Status	Final
Responsible Author	Angela Richmond	Date Agreed/ Agreed At	O&S: 12/06/2023 Cabinet: 19/07/2023
Date last Amended	26/04/2023	Due for Review	July 2026

Housing Benefit War Pension Disregard Policy

1. Introduction

- 1.1 The Housing Benefit Regulations 2006 make provision for the first £10.00 of income from War Widows (Widowers)/War Disablement Scheme and the Armed Forces Compensation Scheme to be disregarded in any benefit assessment. The cost of this disregard is fully reimbursed to the Council.
- 1.2 The Social Security Administration Act 1992 gives the Council discretion to disregard any amount it chooses in addition to the statutory provision.
- 1.3 Rossendale Borough Council disregards 100% of funds received as War Widows (Widowers)/War Disablement and Armed Forces Compensation Scheme.

2. Aims of the Policy

- 2.1 To ensure that members of the Armed Forces who have been disabled during service or the widows, widowers or surviving civil partner of those who died in the service of their country, should not be penalised by having their pensions or payments made in relation to their service, taken into account in the calculation of their Housing Benefit entitlement.
- 2.2 Provide staff with guidance to ensure income paid via these funding streams is treated consistently when assessing entitlement to Housing Benefit.
- 2.3 Ensure income from the schemes is treated consistently when assessing entitlement to Housing Benefit and local Council Tax Support.
- 2.4 To provide clarity to reporting accountants on Rossendale Borough Council's approval of the disregard.

3. Policy

- 3.1 The Council will fully disregard income from War Disablement Scheme, War Widows (Widowers) Pension and Armed Forces Compensation Scheme payments when assessing entitlement to Housing Benefit.

4. Policy Review

- 4.1 This Policy will be reviewed every three years or following a change in legislation.