

Report to: **Hub Committee**

Date: **5 March 2024**

Title: **Housing Benefit War Pensions Disregard Policy**

Portfolio Area: **Cllr Leech – Leisure, Health and Wellbeing**

Wards Affected: **All**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken: Following the Full Council meeting held on 26 March 2024

Author: **Geni Hotchkiss** Role: **Head of Revenues and Benefits**

Contact: **geni.hotchkiss@swdevon.gov.uk**

RECOMMENDATIONS:

It is RECOMMENDED that the Hub Committee:

- 1. NOTES the contents of the report; and**
- 2. RECOMMENDS to Council the adoption of the Housing Benefit War Pensions Disregard Policy attached at Appendix A.**

1. Executive summary

- 1.1 West Devon Borough Council administers Housing Benefit on behalf of the Department for Work and Pensions (DWP) and the cost to the Council is reimbursed through the Housing Benefit Subsidy claim.
- 1.2 Whilst most aspects of Housing Benefit are determined by strict legislation, local authorities do have discretion to approve a local policy determining how much of a person's income from War Disablement Pension and War Widow(er)'s Pension should be disregarded when assessing entitlement to Housing Benefit.
- 1.3 Section 134(8) of the Social Security Administration Act 1992 allows Councils to disregard up to 100% of War Pensions above a statutory disregard of £10.00 when assessing applications for Housing Benefit.

- 1.4 A small number of Housing Benefit claimants currently receive the 100% disregard, with the estimated cost to the Council for the 2023/24 financial year being approximately £5,000.
- 1.5 Each year the Department for Work and Pensions (DWP) requires Councils to appoint a reporting accountant to undertake a Housing Benefit Subsidy audit. In their audit opinion for the 2012/22 financial year, it was noted that "the Council have been unable to provide evidence that their local discretionary scheme has been approved by full Council. The Council intends to formally approve a new policy at full Council."
- 1.6 This report proposes that the Hub Committee recommends to Council that it reaffirms the commitment to disregard 100% of income from War Pensions when assessing Housing Benefit.

2. Background

- 2.1 Prior to the introduction of the Social Security Administration Act 1992, there was a statutory £10.00 per week disregard on War Disability and War Widows pensions in means tested social security benefits including Housing Benefit. Above the £10.00 per week disregard the pensions were counted as income, thus reducing the amount of benefit received.
- 2.2 Section 134(8) of the Social Security Administration Act 1992 allows councils to disregard up to 100% of war pensions above the £10.00 per week disregard. The Council meets a proportion of the cost of this disregard, and it is likely that the original policy was agreed at some point in the 1990s.
- 2.3 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 pays 25% of the discretionary disregard.
- 2.4 From April 2005, the War Pension and War Widow(er)s Pension schemes closed to applicants who were injured or became a widow or widower after this date. The scheme was replaced with the Armed Forces Compensation Scheme, with payments being given a full statutory disregard in means tested benefits, including Housing Benefit.
- 2.5 The £10.00 disregard also applied to Council Tax Benefit. This was replaced by Local Council Tax Reduction Schemes from 2013 and the Council fully disregards War Pensions and War Widow(er)'s Pensions when assessing entitlement.

Financial Implications

- 2.6 The Housing Benefit Assurance Process takes place once the financial year has ended, and Grant Thornton are currently auditing the final subsidy claim for 2022/23.

- 2.7 The table below details the financial implications of fully disregarding War Pension related income. This is already budgeted for, and the continuation of this policy will not have any additional financial impact for the Council.

Year	Number of claims	Cost to Council
2022/23 (unaudited claim)	5	£3,859
2023/24 (year to date)	1	£4,556
2024/25 (projected)	1	£4,861

3. Outcomes/outputs

- 3.1 The Council, through reaffirming its commitment to disregard 100% of income from War Pensions when assessing Housing Benefit, will continue to support those veterans who suffered injuries or illness whilst serving their country.
- 3.2 As this is a continuation of an existing policy, it will enable us to continue to provide financial support to veterans who may otherwise experience financial hardship.
- 3.3 Further, by reaffirming the disregard, the Council will provide support to residents in sustaining tenancies and may reduce the risk of homelessness.

4. Options available and consideration of risk

- 4.1 The Council could decide to only disregard only part of the prescribed incomes which would result in a lack of consistency between the administration of Housing Benefit and the Local Council Tax Reduction Scheme.
- 4.2 To not agree the proposed policy would also mean that the Council could potentially cause financial hardship to war pensioners and war widow(er)'s as well as reputational damage to the Council.

5. Proposed Way Forward

- 5.1 That the Hub Committee recommends to Council the continuation of the discretionary disregard of War Pensions and War Widow(er) Pensions from Housing Benefit to ensure those in receipt of these pensions are not adversely affected financially.
- 5.2 By continuing to provide this support the Council will improve the financial wellbeing of residents on lower incomes and may help prevent homelessness.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		Section 134 8(a) of the Social Security Administration Act 1992 allows local authorities to modify their Housing Benefit scheme to provide for the disregarding of prescribed war disablement pensions or war widow and widower pensions.
Financial implications to include reference to value for money		<p>The Government funds 75% of the additional disregard providing it does not exceed 0.2% of the total Housing Benefit subsidy received in any financial year. The Council is required to fund 25%.</p> <p>The amount for 2022/23 (still subject to audit) was £14,347 with £10,760 being funded by the DWP and £3,587 by the Council.</p> <p>The cost is not expected to increase significantly and will be funded within existing budgets.</p>
Risk		If the Council does agree to the continuation of the policy, war pensioners and war widow(er)s will lose the discretionary disregard. This means that they may have to pay rent for the first time or make a higher contribution to their rent. This will have a financial impact on the residents concerned and will have a reputational risk to the Council.
Supporting Corporate Strategy		Housing and Health and Wellbeing.
Consultation & Engagement Strategy		No consultation has been undertaken.
Climate Change - Carbon / Biodiversity Impact		No direct carbon/biodiversity impact arising from the recommendations.
Comprehensive Impact Assessment Implications		
Equality and Diversity		The Housing Benefit War Pensions Disregard Policy impacts a specific group of people, namely war pensioners and their spouses who are on a low-income. The proposals set out will have a positive impact on these residents.
Safeguarding		None directly arising from the report, however the Housing Benefit War Pension Disregard Policy may help keep vulnerable adults safe.

Community Safety, Crime and Disorder		None.
Health, Safety and Wellbeing		The proposed continuation of the Housing Benefit War Pensions Disregard Policy will contribute to the financial wellbeing of residents in need.
Other implications		None.

Supporting Information

Appendices:

Appendix A – Housing Benefit War Pensions Disregard Policy

Background Papers:

None