



## EXECUTIVE 17<sup>th</sup> March 2022

<b>Report Title</b>	<b>War and War Widow(er)'s Pension Disregard in Housing Benefit</b>
<b>Report Author</b>	Janice Gotts, Executive Director of Finance
<b>Lead Member</b>	Cllr Lloyd Bunday, Executive Member for Finance and Transformation

<b>Key Decision</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Is the decision eligible for call-in by Scrutiny?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Are there public sector equality duty implications?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Does the report contain confidential or exempt information (whether in appendices or not)?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Applicable paragraph number/s for exemption from publication under Schedule 12A Local Government Act 1972</b>	

### List of Appendices

None

#### 1. Purpose of Report

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- 1.1. To seek approval for the continuing disregard of War Pensions (WP) and War Widow(er)'s Pensions (WWP) in calculating Housing Benefit entitlement.

#### 2. Executive Summary

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- 2.1. This report provides details of the background and current position with regards to the voluntary disregard of WP and WWP in the calculation of Housing Benefit entitlement, to enable Members to make a recommendation to Council on the disregard going forward.
- 2.2. The Council already disregards these pensions within its Council Tax Support Scheme and does not take them into account when assessing income and expenditure for Discretionary Housing Payments. Other benefits payable are

either the responsibility of the Department for Work and Pensions (DWP) or HM Revenues and Customs and therefore outside the remit of the Council.

### **3. Recommendations**

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- 3.1 That the Executive recommend to Full Council that:
- a) The Council re-affirms its decision to approve the disregard of War Pensions and War Widow(er)'s Pensions in full as income above the statutory £10.00 per week disregard in the calculation of Housing Benefit entitlement.
- 3.2. Reason for Recommendation – to continue to support our Armed Forces community.
- 3.3. Alternative Options Considered - Not re-affirming the disregard means that war pensioners and widowers would lose the discretionary disregard in their calculation of their Housing Benefit entitlement.

### **4. Report Background**

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- 4.1 Before the introduction of the Social Security Administration Act 1992, there was a statutory £10.00 per week disregard on War Disability and WWP in means tested social security benefits including Housing Benefit. Above the £10.00 per week disregard, the pensions were counted as income, reducing the amount of benefit received.
- 4.2 Section 134(8) of the Social Security Administration Act 1992 allowed councils to disregard up to 100% of WP and WWP above the £10.00 per week disregard. This had to be agreed by full Council as the cost of this disregard was borne by the council. The four sovereign councils in North Northamptonshire agreed to disregard War Pensions in full at some point in the 1990s.
- 4.3 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 now only contribute to 25% of the discretionary disregard.
- 4.4 From April 2005, the WP and WWP schemes were closed to applicants who were injured or became a widower after this date and was replaced by the Armed Forces Compensation Scheme (AFCS). Payments from the AFCS were given a full statutory disregard in means tested benefits, including Housing Benefit.
- 4.5 The £10.00 disregard also applied to Council Tax Benefit, but when this was replaced by Local Council Tax Support Schemes (LCTSS) in 2013, the four sovereign councils in North Northamptonshire fully disregarded WP and WWP in their own local schemes. North Northamptonshire Council's LCTSS that was

implemented on 1<sup>st</sup> April 2021 also fully disregards this income when calculating entitlement to Local Council Tax Support.

- 4.6 Last year, as a part of the external audit of Housing Benefit Subsidy claims, councils were asked to provide evidence that they had passed resolutions disregarding WP and WWP. Many councils no longer had the documentation confirming the disregard due to this being over 20 years ago therefore auditors agreed to accept the historic position but insisted that councils re-affirmed their agreement to the disregard going forward. Without this the Department for Work and Pensions (DWP) will no longer subsidise 75% of the expenditure incurred due to disregarding this income.

## **5. Issues and Choices**

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### **5.1. Option 1 - Not to re-affirm the decision to disregard WP and WWP**

Not re-affirming the disregard means that war pensioners and widowers will lose the discretionary disregard in their calculation of their Housing Benefit entitlement. As a result, most, if not all, will have to either pay some rent for the first time or pay more rent due to their Housing Benefit entitlement being reduced.

### **5.2. Option 2 - Re-affirm the decision the decision to disregard WP and WWP**

Re-affirming the decision means that existing support for these customers in our community will continue as it is currently. In addition, the council will still be able to claim from the DWP 75% of the expenditure it incurs due to disregarding this income as the council will be able to demonstrate to the auditors that the disregard has been approved.

## **6. Next Steps**

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- 6.1. It is requested that the Executive makes its recommendation to full Council at its meeting on 31<sup>st</sup> March 2022.

## **7. Implications (including financial implications)**

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### **7.1 Resources, Financial and Transformation**

- 7.1.1 As before, there remains a financial cost to the Council, as it will bear 25% of the cost of the discretionary disregard. The headline figures, the amount funded by the DWP and the amount funded by the Council, are detailed below for 2020/21, an estimate is also provided for 2021/22.

<b>Financial Year</b>	<b>Total Discretionary Disregard</b>	<b>Disregard Funded by the DWP</b>	<b>Disregard funded by the Council</b>
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2020/21	£58,882	£44,162	£14,720
2021/22	£42,850	£32,138	£10,712

7.1.2 There will be no extra cost to the Council, as the amount funded by the Council has already been factored in as part of the budget setting process.

7.1.3 There may be some fluctuations over time, but the changes are likely to be minor, with an anticipated steady reduction in expenditure. This is because the WP and WWP schemes closed in 2005 and although it is still possible for people to apply to this scheme if their injuries arose before 2005, the numbers are expected to be extremely low.

7.1.4 There are no further staffing resources or ICT system changes required to continue with the disregard.

7.1.5 There are no transformational implications contained within this report.

## 7.2 Legal and Governance

7.2.1 Relevant legislation and implications are contained within the body of the report.

## 7.3 Relevant Policies and Plans

7.3.1 On 7<sup>th</sup> October 2021, the Council signed a national Covenant showing its commitment to supporting members of the Armed Forces community to ensure they are treated with fairness in all aspects of their life. Continuing to disregard WP and WWP will demonstrate continuing commitment to the Covenant.

## 7.4 Risk

7.4.1 As previously stated in 5.1, the risk of not re-affirming the disregard means that war pensioners and widowers will lose the discretionary disregard in the calculation of their Housing Benefit entitlement. As a result, most, if not all, will have to either pay some rent for the first time or pay more rent due to their Housing Benefit entitlement being reduced. Other than the financial impact, this is also likely to present a reputational risk to the Council.

## 7.5 Consultation

7.5.1 Consultation has not taken place.

## 7.6 Consideration by Executive Advisory Panel

7.6.1 This report has not been considered by an Executive Advisory Panel.

## **7.7 Consideration by Scrutiny**

7.7.1 This report has not been considered by Scrutiny.

## **7.8 Equality Implications**

7.8.1 An Equality Screening Assessment has been completed and no negative impacts on one or more equality groups have been identified.

## **7.9 Climate Impact**

7.9.1 There is no impact on the climate as a result of the recommendation.

## **7.10 Community Impact**

7.10.1 Removal of the disregard will have an impact on some of our community who are currently in receipt of either WP or WWP and Housing Benefit.

## **7.11 Crime and Disorder Impact**

7.11.1 There is no impact on crime and disorder arising from the recommendation.

## **8 Background Papers**

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8.4 The Social Security Administration Act 1992  
<https://www.legislation.gov.uk/ukpga/1992/5/contents/enacted>