

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**CORPORATE LEADERSHIP TEAM'S
REPORT TO CABINET**

06 February 2024

Report Title: War and War Widow(er)s Pension Disregard Top Up - Housing Benefit and Council Tax Reduction

Submitted by: Service Director - Finance & Service Director - Neighbourhood Delivery

Portfolios: Finance, Town Centres and Growth

Ward(s) affected: All

<u>Purpose of the Report</u>	<u>Key Decision</u>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
To notify Cabinet of the continuing disregard of War Pensions and War Widow(er)'s Pension in calculating Housing Benefit entitlement and Council Tax Reduction and to refer the report to Council for approval.			
<u>Recommendation</u>			
That Cabinet:			
Notes the report and refers it to Council to approve the disregard of War Pensions and War Widow(er)'s pensions:-			
(a) in full as income above the statutory £10.00 per week disregard in the calculation of Housing Benefit entitlement and			
(b) in full as income in relation to the means tested assessment of Council Tax Reduction Scheme discount.			
<u>Reasons</u>			
A Council resolution is required to regularise the ongoing application of this benefit. This resolution will improve the economic wellbeing of those on lower incomes and, will help prevent homelessness and help meet local needs. The recipients of the disregarded benefits will have more financial help in paying their rent.			

1. Background

- 1.1 Before 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, reducing the amount of benefit received.
- 1.2 Section 134(8) of the Social Security Administration Act 1992 allowed Councils to disregard up to 100% of war pensions above the £10.00 per week disregard. This had to be agreed by Full Council. The cost of this disregard is borne by the Council.

Newcastle-under-Lyme Borough Council resolved to disregard war pensions in full above the weekly disregard many years ago.

- 1.3 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 pays for 25% of the discretionary disregard.
- 1.4 From April 2005, the War Pension and War Widow(er)s Pension schemes were closed to applicants who were injured or became a widow(er) after this date and replaced by the Armed Forces Compensation Scheme. Payments from the Armed Forces Compensation Scheme were given a full statutory disregard in means tested benefits, including Housing Benefit.
- 1.5 The £10.00 disregard also applied to Council Tax Benefit, but when this was replaced by Local Council Tax Reduction schemes in 2013, Newcastle-under-Lyme Borough Council fully disregarded War Pensions and War Widow(er)s Pensions.
- 1.6 Last year, a number of Councils were asked to provide evidence that they had passed resolutions disregarding War Pensions and War Widow(er) Pensions 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.
- 1.7 Grant Thornton, the Council's External Auditor, asked the Council to provide the documentation showing they had passed resolutions disregarding War Pensions and War Widow(er)'s Pensions in their last audit. A search was made for the original resolutions, but the original resolutions could not be found.
- 1.8 This report asks the Council to re-affirm the discretionary disregards for War Pensions and War Widow(er)'s Pensions in order to safeguard the finances of war pensioners and war widow(er)s.

2. Issues

- 2.1 War Widow(er)s income has historically been disregarded in the calculation of Council Tax Reduction and Housing Benefit but the documentation of this historic resolution cannot be found and has been requested by the Council's External Auditors.

3. Recommendation

- 3.1 That Cabinet notes the report and refers it to Council to approve the disregard of War Pensions and War Widow(er)'s pensions
 - (a) in full as income above the statutory £10.00 per week disregard in the calculation of Housing Benefit entitlement and
 - (b) in full as income in relation to the means tested assessment of Council Tax Reduction Scheme discount.

4. Reasons

- 4.1 A resolution of Council is required to regularise the ongoing application of this benefit. This resolution will improve the economic wellbeing of those on lower incomes and, will help prevent homelessness and help meet local needs. The

recipients of the disregarded benefits will have more financial help in paying their rent.

5. Options Considered

- 5.1 The options are to do nothing, or to remove some or all of the discretionary disregard for War Pensions and War Widow(er)'s Pensions. The recommended option is to regularise the ongoing application of this benefit and to ensure compliance by a resolution of Council.

6. Legal and Statutory Implications

- 6.1 Section 134(8) of the Social Security Administration Act 1992 allowed Councils to disregard up to 100% of war pensions above the £10.00 per week disregard. This had to be agreed by Full Council. The cost of this disregard is borne by the Council. Newcastle-under-Lyme Borough Council agreed to disregard war pensions in full above the weekly disregard many years ago but the documentation of the original resolution cannot be found.

7. Equality Impact Assessment

- 7.1 Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows: A public authority must, in the exercise of its functions, have due regard to the need to – a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. Council Tax charges may have an impact on households and there are a variety of schemes in place to mitigate against a negative impact, including single person discount and council tax reduction. Further details how to make such claims can be found on the council's website.

8. Financial and Resource Implications

- 8.1 As previously agreed, there remains a financial cost to the Council, as it will continue to bear 25% of the costs of the discretionary disregards. There are currently only 5 live claims for Housing Benefit and Council Tax reduction.
- 8.2 There will not be any additional financial pressure to the Council, as the financial pressure is already being accounted for in planned expenditure. The amounts in relation to the Council is low, but for the individuals concerned make a great difference. The approximate cost is £6,300 per annum broken down as:-

Housing Benefit 2023/24 cost was £2,244

Council Tax Reduction 2023/24 cost was £4,100

9. Major Risks & Mitigation

- 9.1 The risk of not re-affirming the disregard, may result in external auditors challenging the existence of a formal resolution to do so. If this was the case, potentially war pensioners and war widow(er)s could lose the discretionary disregard. This may

mean most, if not all, either having to pay some rent for the first time or having to pay more rent. Other than the financial impact, this is also likely to result in a reputational risk to the Council.

- 9.2 Newcastle-under-Lyme Borough Council signed the Armed Forces Covenant in 2018. Continuing to disregard War Pensions and War Widow(er)'s Pensions will demonstrate continuing commitment to the covenant.

10. UN Sustainable Development Goals (UNSDG)

- 10.1 In considering this decision, the following UN sustainable development goals will be considered:



11. Key Decision Information

- 11.1 This does not constitute a key decision.

12. Earlier Cabinet/Committee Resolutions

- 12.1 None

13. List of Appendices

- 13.1 None

14. Background Papers

- 14.1 None