

READING BOROUGH COUNCIL
REPORT BY DIRECTOR OF FINANCE

TO:	POLICY COMMITTEE		
DATE:	15 DECEMBER 2022		
TITLE:	HOUSING BENEFIT WAR PENSION AND ARMED FORCES COMPENSATION DISREGARD POLICY		
LEAD COUNCILLOR:	COUNCILLOR TERRY	PORTFOLIO:	CORPORATE SERVICES & RESOURCES
SERVICE:	REVENUES & BENEFITS	WARDS:	BOROUGHWIDE
LEAD OFFICER:	SAMANTHA WILLS	TEL:	0118 937 2711
JOB TITLE:	REVENUES & BENEFITS MANAGER	E-MAIL:	SAMANTHA.WILLS@READING.GOV.UK

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 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 or war widow's pensions. The Policy must be approved by full Council and owing to the financial implication for the Council, should be reviewed annually.
- 1.2 Appendix 1 - War Pension and Armed Forces Compensation Disregard Policy

2. RECOMMENDED ACTION

- 2.1 That the Council continues to disregard the whole of any incomes prescribed in the Housing Benefit and Council Tax Benefit (War Pension Disregards) Regulations 2007 and approves the Housing Benefit War Pension and Armed Forces Compensation Disregard Policy attached at Appendix 1 for the 2022-23 subsidy year and subsequent years.

3. POLICY CONTEXT

- 3.1 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.
- 3.2 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. The cost of this disregard is borne by the council. Reading Borough Council agreed to disregard war pensions in full above the weekly disregard at some point in the 1990s.

- 3.3 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.
- 3.4 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.
- 3.5 The £10.00 disregard also applied to Council Tax Benefit, but when this was replaced by local Council Tax Reduction schemes in 2013, Reading Borough Council fully disregarded War Pensions and War Widow(er)s Pensions. This is contained separately in the Local Council Tax Reduction Scheme Policy.
- 3.6 Last year, a number of councils were asked to provide evidence that they had passed resolutions disregarding War Pensions and War Widow(er) Pensions 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.
- 3.7 This report is to ask 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.
- 3.8 Adoption of the policy has already been factored into the operation of the Benefits Service and the administration of claims in 2022/23. As such, the financial implications have already been factored into budget projections for the service for the current year.

4. ALTERNATIVE OPTIONS CONSIDERED AND RECOMMENDED FOR REJECTION

- 4.1 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 Reduction Scheme (LCTRS).
- 4.2 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 LCTRS.
- 4.3 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.
- 4.4 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. CONTRIBUTION TO STRATEGIC AIMS

- 5.1 This proposal will support the Council's vision and contribute to the following Corporate Plan priorities:

Thriving Communities - The proposed continuation of the War Pension and Armed Forces Compensation Disregard Policy will contribute to the well-being of local people most in need by retaining the level of financial support available.

6. ENVIRONMENTAL AND CLIMATE IMPLICATIONS

- 6.1 None to record, this proposal provides financial support and re-affirms the position in relation to the War Pension and Armed Forces Compensation Disregard Policy.

7. COMMUNITY ENGAGEMENT AND INFORMATION

- 7.1 The consultation duty is not applicable; this would have been undertaken in the 1990's when the policy was first introduced.

8. EQUALITY IMPACT ASSESSMENT

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

9. LEGAL IMPLICATIONS

- 9.1 Section 134 8(a) of the Social Security Administration Act 1992 entitles local authorities to modify any part of the Housing Benefit scheme to provide for the disregarding of prescribed war disablement pensions or war widow's pensions.

10. FINANCIAL IMPLICATIONS

- 10.1 In 2021-22 the full cost to the Council was £3,541 (25%) with £10,623 (75%) of the total expenditure of £14,164 met through Subsidy.
- 10.2 The financial implications have already been factored into budget projections for the service for the current year.

11. BACKGROUND PAPERS

- 11.1 None