

# Cabinet Report



Report of Head of Finance

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Wards affected: All

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To: CABINET on 3 December 2021

Date: COUNCIL on 8 December 2021

## War and War Widow(er)s Pension Disregard top up in Housing Benefit

### Recommendations

That Cabinet is asked to recommend to Council to re-affirm its decision 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

### Purpose of Report

1. To seek approval for the continuing disregard of War Pensions and War Widow(er)'s Pension in calculating Housing Benefit entitlement.

### Corporate Objectives

2. This resolution will contribute to the Building Healthy Communities in that it will financially support vulnerable residents. It will help in homeless prevention in that the recipients of the disregarded benefits will have more financial help in paying their rent. The disregard will contribute to the Building Stable Finances objective in that it will help reduce the burden of paying Council Tax for those on the lowest income.

## **Background**

3. 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.
4. 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 the full council. The cost of this disregard is borne by the council. Vale of White Horse agreed to disregard war pensions in full above the weekly disregard at some point in the 1990s.
5. 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 councils now only pay for 25% of the discretionary disregard.
6. 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.
7. The £10.00 disregard also applied to Council Tax Benefit, but when this was replaced by local Council Tax Reduction schemes in 2013, Vale of White Horse fully disregarded War Pensions and War Widow(er)s Pensions.
8. 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.
9. Although Vale of White Horse was not asked 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 resolution, nonetheless. The original resolution could not be found, the paperwork most likely being destroyed in the fire at Crowmarsh.
10. This report is to ask the councils 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.

## **Options**

11. 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.

## **Climate and ecological impact implications**

12. None

## Financial Implications

13. As before, there remains a financial cost to the council, as it will bear 25% of the costs of the discretionary disregards. The headline figures, the amount funded by the Department for Work and Pensions and the amount funded by the council is given below for 2020-21:

<b>Total Discretionary Disregard</b>	<b>Disregard Funded by the DWP</b>	<b>Disregard funded by the council</b>
£22,003	£16,502	£5,501

14. There will not be any extra expense to the council, as the expenditure 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.

15. There will be some fluctuations over time, but the changes are likely to be minor. The War Pension and War Widow(er)'s 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 likely to be extremely low. The number of people on the scheme will continue to decrease over time as it is a closed scheme.

## Legal Implications

16. None

## Risks

17. The risk of not re-affirming the disregard, either now or if asked to do so in an audit, is that war pensioners and war widow(er)s will 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 present a reputational risk to the council.

18. Vale of White Horse signed the Armed Forces Covenant on 2 September 2014. Continuing to disregard War Pensions and War Widow(er)'s Pensions will demonstrate continuing commitment to the covenant.

## Other implications

19. None

## Conclusion

20. That the cabinet recommends full council to re-affirm the discretionary disregard of War Pensions and War Widow(er) Pensions on Housing Benefit to ensure those in receipt of these benefits are not adversely affected financially.

## Background Papers

- None