

REPORT TO EXECUTIVE

Date of Meeting: 6th February 2024

REPORT TO COUNCIL

Date of Meeting: 20th February 2024

Report of: Director of Finance

Title: Housing Benefit Modified Scheme policy

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 This report seeks Member's agreement to continue the locally allowed disregard of certain War Pension income within the Housing Benefit means test.

2. Recommendations:

2.1 That Executive recommends that Council approve the proposed Housing Benefit Modified Scheme policy.

3. Reasons for the recommendation:

3.1 The policy maintains the disregard of permitted income which Exeter City Council has had in place for over 20 years.

3.2 Disregarding specified incomes for war veterans and their surviving relatives supports the Council's commitment to the Armed Forces Covenant.

4. What are the resource implications including non-financial resources

4.1 The effect of the application of the War Pension disregard for war veterans increases the value of Housing Benefit paid out to them. The additional cost is not reimbursed in full by the Department for Work and Pensions and therefore carries a cost to the Council. This cost was £6,336 in 2022/23 and is estimated to be £5,219 in 2023/24. This has been an element of the Housing Benefit Subsidy budget since it was introduced. Accordingly, there is no change to the current financial situation.

5. Section 151 Officer comments:

5.1 There are no financial implications for the Council from continuing this policy. The policy has been in place for many years and this report simply reaffirms our position.

6. Legal aspects:

6.1 The Housing Benefit Regulations 2006 and The Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 make provision for the first £10 of weekly income from War Widows or Widowers Pension, the War

Disablement Scheme or the Armed Forces Compensation Scheme to be disregarded in any benefit assessment. The cost of this disregard is fully reimbursed to the Council.

6.2 The Social Security Administration Act 1992 gives the Council discretion to disregard any further amount it chooses by way of an approved Modified Scheme

7. Monitoring Officer's comments:

7.1 This report raises no issues for the Monitoring Officer.

8. Report details:

8.1 The rules for calculating Housing Benefit entitlement are detailed within the Housing Benefit Regulations 2006, The Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 and subsequent amending legislation. These regulations state that £10 of War Disablement Pensions and War Widow's Pensions will be ignored in the calculation of weekly income.

8.2 The Social Security Administration Act 1992 also allows Councils the discretion to modify the scheme in order to disregard up to 100% of those incomes.

8.3 In common with other local authorities, the Council has been fully disregarding these incomes since the Social Security Administration Act was introduced in 1992. In addition, the local Council Tax Support (CTS) scheme has adopted the same disregards since it was introduced in 2013. Council approves the CTS scheme on an annual basis.

8.4 Council resolved to fully disregard permitted war pension incomes in 1987 under the Social Security Act 1986 and this has continued ever since, now under the Social Security Administration Act 1992. A new resolution will reaffirm the Council's ongoing commitment to maintain the maximum permitted additional disregards.

8.5 By disregarding the incomes, the amount of Housing Benefit paid to affected customers is increased. This allows the Council to provide additional support to veterans and their surviving relatives.

8.6 Housing Benefit expenditure is reimbursed to the Council by Department for Work and Pensions through an annual subsidy claim. Most expenditure is repaid in full, however additional payments as a result of the local scheme disregard is only reimbursed at 75%. The balance of the extra Housing Benefit paid is a cost to the Council.

8.7 In 2022/23 there were 15 claimants benefitting from the modified scheme. The cost to the Council was £6,336.

8.8 Given the length of time that the local scheme has operated, it is recommended that Members reconfirm that the prescribed War Disablement Pensions and War Widow's Pensions continue to be fully disregarded in the calculation of Housing Benefit.

9. How does the decision contribute to the Council's Corporate Plan?

The Modified Scheme supports Exeter's communities and neighbourhoods by providing higher Housing Benefit awards to low-income households.

10. What risks are there and how can they be reduced?

10.1 The additional disregard can only be provided by resolution of Council. Paperwork relating to the original resolution cannot be located. Without a renewed resolution there are two main risks:

1. That the Housing Benefit Subsidy auditors will find that subsidy has been incorrectly claimed for the increased expenditure under the Modified Scheme.
2. That Housing Benefit awards will have to be reduced for a group of customers covered by the Armed Forces Covenant after many years of paying enhanced rates.

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must consider the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because the proposal is not to change the existing disregard, thereby maintaining the protections this affords. An Equality Impact Assessment accompanies this report.

12. Carbon Footprint (Environmental) Implications:

12.1 No direct carbon/environmental impacts arising from the recommendations.

13. Are there any other options?

13.1 Council may resolve to revoke the Modified Scheme that has been operating since 1992. This would reduce the Housing Benefit awards for the approximately 15 households affected and save the Council around £6,000 per year.

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Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

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