



REPORT TO:	Cabinet
DATE:	4 May 2022
SUBJECT:	Housing Benefit Local Discretionary Modified Scheme
PURPOSE:	Approval for continuation of the current scheme.
KEY DECISION:	No
PORTFOLIO HOLDER:	Councillor Jonathan Noble, Portfolio Holder for Finance
REPORT OF:	Samantha Knowles, Assistant Director - Finance
REPORT AUTHOR:	Sharon Hammond, Head of Revenues and Benefits
WARD(S) AFFECTED:	ALL
EXEMPT REPORT?	No

SUMMARY

This report seeks Cabinet approval for the continuation of the Housing Benefit Local Discretionary Modified scheme, which will continue to disregard, in full, war pensions from the calculation of Housing Benefit.

RECOMMENDATIONS

That Cabinet approves continuation of the disregard from the calculation of Housing Benefit of all income prescribed in the Housing Benefit and Council Tax Benefit (War Pension Disregards) Regulations 2007, and subsequent amendments.

REASONS FOR RECOMMENDATIONS

The current decision is now more than 10 years old, and it is timely to have in place a formal recorded decision that confirms continuation of the scheme, and in turn this will satisfy the Department for Work and Pension (DWP) Housing Benefit subsidy audit requirements.

OTHER OPTIONS CONSIDERED

Alternative options to reduce the level of disregard, to disregard a fixed amount or lower percentage of the pensions, or to end the local discretionary scheme from 31 March 2023, and include all war pension as income in the calculation of Housing Benefit have been considered.

These options are not recommended. The cost to BBC of continuing the current scheme is relatively low, and these options would not align with, or demonstrate the Councils commitment to, the Armed Forces Covenant and could present some reputational risk to BBC.

Do nothing is a further option. Whilst essentially this option would maintain the status quo, i.e. full disregard of war pension income, it would not provide a recorded minute to confirm a formal decision to continue the current scheme. This would mean ongoing reliance on the original decision that was made many years ago and this could place the Council at risk, potentially financial, through future Housing Benefit Subsidy Claim audits.

1. BACKGROUND

- 1.1 Legislation provides for certain income to be disregarded when calculating entitlement to Housing Benefit. This includes the first £10.00 per week of any War Disablement or War Widows Pension received by the claimant.
- 1.2 Under Section 134 (8) of the Social Security Administration Act 1992, Councils have the discretion to increase the amount that is disregarded of such income. Regulations prescribe which Pensions can be disregarded and a full list can be found in Appendix A.

2. BBC LOCAL DISCRETIONARY MODIFIED SCHEME

- 2.1 Boston Borough Council has used its powers in this respect for a number of years now, and as part of the audit process this year a confirmation of the Council's decision was required. As the original decision is now more than ten years old, it is timely for this decision to be brought back before Cabinet for formal approval of continuation of the scheme in current and future years.
- 2.2 The full disregard of War Disablement Pension and War Widows Pension, which is in line with the principles of the Armed Forces Covenant, is funded up to 75% of the total cost by the Government. In respect of 2020/21 the cost to Boston was £1,561

War Disablement and War Widows Pension disregard – 2020/21		
Expenditure	Government contribution	Local funding
£6,244	£4,683	£1,561

3. CONCLUSION

3.1 Continuation of the scheme to fully disregard war pension income from the calculation of Housing Benefit is recommended as it demonstrates the Councils ongoing commitment to the Armed Forces Covenant. It is low cost to the Council.

A recorded decision to continue the scheme will provide evidence for future Housing Benefit subsidy audits.

EXPECTED BENEFITS TO THE PARTNERSHIP

Not applicable.

IMPLICATIONS

SOUTH AND EAST LINCOLNSHIRE COUNCIL'S PARTNERSHIP

None.

CORPORATE PRIORITIES

None

STAFFING

None

CONSTITUTIONAL AND LEGAL IMPLICATIONS

None

DATA PROTECTION

None

FINANCIAL

Housing benefit is administered on behalf of central government and is subject to subsidy arrangements. The Modified Scheme is discretionary, and whilst the government will fund this in part (75%), there will be a 25% cost to Boston Borough Council which is anticipated to be met from existing budgets. In 2020/21 this cost was £1,561.

RISK MANAGEMENT

None

STAKEHOLDER / CONSULTATION / TIMESCALES

None

REPUTATION

The continuation of disregards of War Disablement Pension and War Widow Pension demonstrates Boston's commitment to the principles of the Armed Forces Covenant.

CONTRACTS

None

CRIME AND DISORDER

None

EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING

An impact assessment is not required. Housing Benefit is administered based on national regulations and guidance. There is no change proposed to the local modified scheme which covers the disregard of war pensions.

HEALTH AND WELL BEING

None

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

None

ACRONYMS

DWP – Department for Work and Pensions

APPENDICES

Appendices are listed below and attached to the back of the report: -

APPENDIX A

Schedule to the Housing Benefit and Council Tax Benefit
(War Pensions Disregard) Regulations 2007

BACKGROUND PAPERS

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report.

CHRONOLOGICAL HISTORY OF THIS REPORT

None

REPORT APPROVAL

Report author:	Sharon Hammond, Head of Revenues and Benefits
Signed off by:	Samantha Knowles, Assistant Director - Finance
Approved for publication:	