



ADUR & WORTHING COUNCILS

Joint Strategic Committee
13 July 2021
Agenda Item 11

Key Decision: No

Ward(s) Affected: All

Treatment of income from War Pensions in the calculation of Housing Benefit

Report by the Director for Digital, Sustainability & Resources

Executive Summary

1. Purpose

- 1.1. Members are asked to reconfirm that war pensions should be fully disregarded as a source of income when calculating entitlement to Housing Benefit.

2. Recommendations

- 2.1. The Joint Strategic Committee is asked to:
 - a. Note the content of this report
 - b. Determine that the war pensions described in paragraph 4.6 of this report should continue to be fully disregarded as a source of income by both Adur District Council and Worthing Borough Council when claims for Housing Benefit are assessed

3. Context

- 3.1 The rules about the way in which entitlement to Housing Benefit is calculated are primarily detailed within The Housing Benefit Regulations 2006 and subsequent amending legislation.
- 3.2 Almost without exception, the rules do not provide for any discretion to be applied. However, The Housing Benefit and Council Tax Benefit (War Pension Disregards) Regulations 2007 allows each local authority to determine whether certain war pensions should be fully disregarded (not taken into account) as income.

- 3.3 In principle, the Councils are fully reimbursed by the Department for Work & Pensions for the payments of Housing Benefit that are made, and this is known as “subsidy”. Subsidy payments are demand-led and are not subject to a fixed-sum grant.
- 3.4 Both Adur and Worthing Councils previously determined that war pensions should be fully disregarded for Housing Benefit purposes. The locally-determined schemes for Council Tax Support in both Adur and Worthing replicate the rules for Housing Benefit and consequently war pensions are also fully disregarded for Council Tax Support. However, unlike Housing Benefit, awards of Council Tax Support are funded from an annual fixed-sum budget provided by the Ministry for Housing, Communities & Local Government that forms part of the Councils’ annual budgets.
- 3.5 When a customer’s income reduces, their Housing Benefit entitlement increases but where a local authority has determined to fully (or partially) disregard a war pension the additional Housing Benefit that is awarded is not reimbursed by subsidy payments and must instead be funded by the council.
- 3.6 This report therefore seeks confirmation that this position should remain unchanged until such time as an alternative decision is made.

4. Issues for consideration

- 4.1 The total gross subsidy claimed (subject to external audit) from the Department for Work & Pensions in respect of Housing Benefit payments made during 2020/21 was
- Adur: £13,926,903
 - Worthing: £29,371,018
- 4.2 The figures shown in paragraph 4.1 do not include increased awards that were made as the result of fully disregarding war pensions. The total annual awards of Housing Benefit arising from the full disregard of war pensions in respect of 2020/21 were
- Adur: £18,337
 - Worthing: £15,392
- 4.3 Where a customer is in receipt of Income Support, income-based Job Seeker’s Allowance, income-related Employment & Support Allowance, Universal Credit or Guaranteed Pension Credit they are automatically “passport” and are awarded maximum Housing Benefit. Claims that are not “passport” are known as “standard” (i.e. they are subject to a means-tested calculation) and it is only “standard” claims that are affected by the decision to fully disregard certain war pensions.
- 4.4 As at 17 May 2021
- there were four and six “standard” Housing Benefit claims in Adur and Worthing respectively that included an income from war pensions
 - The average weekly war pension income was £162.32 in Adur and £122.53 in Worthing
- 4.5 It is estimated that the additional annual Housing Benefit awards that will be made during 2021/22 attributable to the full disregard of war pension income will be £14,000 for Adur and £11,500 for Worthing. The reason that these figures are lower than those shown in paragraph 4.2 (in respect of 2020/21) is that some claims are no longer in payment.

- 4.4 During 2011 the Government launched the Community Covenant scheme following a campaign by the Royal British Legion. West Sussex County Council strongly promoted local covenants and on 28 February 2013 the Joint Strategic Committee considered a report from the Chief Executive that invited Members to determine whether the Councils wished to enter into an Armed Forces Community Covenant. In particular, this would provide increased “local connection” priority in respect of applications to the Housing Register for members of the armed forces and former Service personnel.
- 4.5 The Committee determined to enter into covenants and in May 2013 each Council signed up to its own Armed Forces Community Covenant. The covenants seek to support the Armed Forces Community, and the continued income disregard of war pensions when calculating entitlement to Housing Benefit is consistent with this commitment.
- 4.6 Members are therefore asked to confirm the continued disregard of the war pensions detailed in Parts 1 and 2 of the Schedule within The Housing Benefit and Council Tax Benefit (War Pension Disregards) Regulations 2007.

5. Engagement and Communication

- 5.1 Advice from the Council’s Legal Services Team has confirmed that consultations are not required unless the full disregard of war pensions is amended. Further details are provided in section 7 of this report.

6. Financial Implications

- 6.1 Paragraphs 4.1 to 4.5 of this report provide details of the financial impact to the councils of fully disregarding war pensions as income in the calculation of Housing Benefit entitlement.
- 6.2 Awards of Council Tax Support (and the associated financial impact) are not directly affected by the Housing Benefit decision. This is because separate financial subsidies are received for Council Tax Support.
- 6.3 However, Members should be mindful that the local schemes for Council Tax Support include a provision to mirror the Housing Benefit rules. Consequently, if the local Housing Benefit decision to disregard war pension income is amended, the Council Tax Support schemes will be affected.
- 6.4 Provision for the annual cost of fully disregarding war pension income for Housing Benefit purposes that is detailed in paragraph 4.4 is already included in the Councils’ budgets. Therefore, if Members determine to continue to fully disregard war pension income, there will be no net change to the budget requirements.

7. Legal Implications

- 7.1 Schedule 5 of The Housing Benefit Regulations 2006 details income that is to be statutorily disregarded in the calculation of Housing Benefit entitlement. Paragraph 15 provides that certain war pensions are subject to a weekly disregard of £10.00 and paragraph 43 provides that other war pensions are subject to a complete disregard.

7.2 Section 134(8) of The Social Security Administration Act 1992 states that

An authority may modify any part of the housing benefit scheme administered by the authority

(a) so as to provide for disregarding, in determining a person's income (whether he is the occupier of a dwelling or any other person whose income falls to be aggregated with that of the occupier of a dwelling), the whole or part of any war disablement pension or war widow's pension payable to that person;

(b) to such extent in other respects as may be prescribed,

and any such modification may be adopted by resolution of an authority.

7.3 Parts 1 and 2 of the Schedule within The Housing Benefit and Council Tax Benefit (War Pension Disregards) Regulations 2007 details the types of war pensions that can be disregarded in accordance with Section 134(8)(a) of The Social Security Administration Act 1992.

7.4 If Members determine that the full disregard of war pensions should continue, there will be no revision to the current decision and therefore the duty to consult with residents does not apply.

Background Papers

[The Housing Benefit Regulations 2006 \(Statutory Instrument 2006-213\)](#)

[The Social Security Administration Act 1992](#)

[The Housing Benefit and Council Tax Benefit \(War Pension Disregards\) Regulations 2007 \(Statutory Instrument 2007-1619\)](#)

[Joint Strategic Committee report dated 28 February 2013](#)

[The Armed Forces Community Covenant for the District of Adur](#)

[The Armed Forces Community Covenant for the Borough of Worthing](#)

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Sustainability & Risk Assessment

1. Economic

The councils currently provide additional financial assistance to Housing Benefit customers whose income includes a war pension, and continuing to do so is consistent with the principles detailed within the Armed Forces Community Covenants.

2. Social

2.1 Social Value

Matter considered and no issues identified.

2.2 Equality Issues

Matter considered and no issues identified.

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified.

2.4 Human Rights Issues

Matter considered and no issues identified.

3. Environmental

Matter considered and no issues identified.

4. Governance

Matter considered and no issues identified.