

The Highland Council

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| Agenda Item | 9. |
| Report No | RES/45/23 |

Committee: Corporate Resources

Date: 7 December 2023

Report Title: Local Discretionary Housing Benefit Scheme for War Pensioners and War Widows

Report By: Executive Chief Officer, Communities & Place

1. Purpose/Executive Summary

- 1.1 The Housing Benefit Regulations 2006 and Housing Benefit Regulations (State Pension Credit) 2006 provide Local Authorities with discretionary powers to operate a local scheme, for those in receipt of war pensions, when calculating Housing Benefit. The effect of these powers means some or all of any War Disablement Pension, War Widow's Pension and War Widower's Pension over and above the statutory limits, may be disregarded when calculating entitlement to Housing Benefit.
- 1.2 The Department for Work and Pensions (DWP) provide funding equivalent to 75% of each local Scheme, with the implementing local authority funding 25% of the cost. This report seeks Members' approval to continue with the current policy to fully disregard war pensions in the calculation of Housing Benefit. This policy supports the Armed Forces Covenant and the Armed Forces community.

2. Recommendations

- 2.1 Members are invited to agree:
 - i. to continue the policy to operate a discretionary local Housing Benefit Scheme for war pensioners, war widows and war widowers;
 - ii. that this policy shall operate on an ongoing basis until such time as there is a change in regulations, subsidy or budgetary related matters which require a review of the Council's policy;
 - iii. that the Chair of the Corporate Resources Committee write to the Department for Work & Pensions seeking the equivalent of 100% funding to be made available by the Department for Work & Pensions when disregarding war pensions in the calculation of Housing Benefit, thus removing the requirement for 25% contributions by implementing local authorities.

3. Implications

- 3.1 **Resource** – This discretionary scheme is 75% funded by the Department for Work and Pensions (DWP), with the remaining 25% funded within the Welfare Budget through income generated by collecting Housing Benefit overpayments across the whole of the Housing Benefit caseload. It is estimated that the budget implications of operating a local Scheme for 2023/24 will be £0.016m which shall be met from the Welfare Budget. The 2023/24 Housing Benefit budget is £34.8m, which is reported as part of the Welfare Budget monitoring each quarter to this Committee.
- 3.2 **Legal** – The Scheme is in line with the Housing Benefit Regulations 2006 and Housing Benefit Regulations (State Pension Credit) 2006 and Department for Work and Pensions subsidy rules.
- 3.3 **Community (Equality, Poverty and Rural)** – The proposal to continue disregarding all War Disablement Pension or War Widow's and War Widower's Pensions over and above the statutory limits, when calculating entitlement to Housing Benefit, aligns with the Council's commitments and duties relating to equalities, poverty, and rural factors.
- 3.4 **Risk** – there is a risk that the amount recovered from Housing Benefit overpayments from across the Housing Benefit caseload will not be sufficient to meet the Council's contribution for this local Scheme. However, recoveries from these overpayments far exceed the budget required for this Scheme and fully mitigate this risk. The balance of overpayments recovered from the overall caseload of 7,300 cases are fully utilised to balance the Housing Benefit budget.
- 3.5 **Climate Change/Carbon Clever; Gaelic; Health and Safety** – There are no implications arising directly from this report.

4. Budget Implications

- 4.1 Local discretionary schemes for war pensioners are subsidised by the Department for Work and Pensions (DWP) up to a maximum of 0.2% addition to the Local Authority's annual Housing Benefit subsidy, capped at 75% of the total benefit cost to the Local Authority of the local scheme.
- 4.2 Highland Council's local Scheme fully disregards War Disablement Pension, War Widow's and War Widower's Pensions. For the 2022/23 financial year, this amounted to £78,142 of which 75% DWP subsidy funding of £58,607 was received. The Highland Council therefore funded £19,535 from the Welfare Budget. The local Scheme supported around 30 war pensioners, war widows and war widowers in 2022/23.
- 4.3 Estimates for 2023/24 currently indicate that the overall cost of the local Scheme will be in the region of £63,745 with 75% DWP subsidy funding of £47,809, reducing the net cost to Highland Council to £15,936. This remaining 25% will be funded within the Welfare Budget (Housing Benefit) through income generated by collecting Housing Benefit overpayments from across the whole caseload.

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| Designation: | Executive Chief Officer, Communities & Place |
| Date: | 20 October 2023 |
| Author: | Sheila McKandie, Head of Revenues & Business Support |