

Report to: Cabinet



Date of Meeting 1 November 2023

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

Housing Benefit Modified Scheme Policy

Report summary:

This report covers details of the Modified Scheme for disregarding income from war pensions for the purposes of administering Housing Benefit.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

That Cabinet agree the Housing Benefit Modified Scheme policy so that we can continue to disregard war pensions from the calculation of Housing Benefit.

Reason for recommendation:

EDDC are signed up members of the armed forces covenant and as part of this are committed to supporting veterans and their families. However, due to changes in senior management we have been unable to locate the existing covenant. A new signed covenant is currently being developed by our Corporate HR Manager and it is intended that the modified scheme policy will be reflected within it. However, in the interim we need to put in place a local Modified scheme policy so that we can continue to fully disregard income from war pensions.

Rents charged by private landlords remain high and Local Housing Allowance rates have not been raised to keep pace with these rising rents, therefore residents are finding it harder to fund shortfalls between the rent charged and the Housing Benefit or Universal Credit Housing Costs received. If we do not fully disregard war pensions residents will need to use this income to help pay their rental costs.

It is also worth noting that under Part 16A of The Armed Forces Act 2006 there is a legal obligation on public bodies to have due regard to armed forces personnel when carrying out healthcare, housing and education functions. Whilst this legislation does not give a legal obligation around financial assistance, it does support our current approach of fully disregarding the income from the means test.

By continuing our modified scheme we will ensure that the financial compensation received during service can be used for the purposes it was intended for.

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Portfolio(s) (check which apply):

Climate Action and Emergency Response

- Coast, Country and Environment
- Council and Corporate Co-ordination
- Communications and Democracy
- Economy
- Finance and Assets
- Strategic Planning
- Sustainable Homes and Communities
- Culture, Leisure, Sport and Culture

Equalities impact Low Impact

As this policy formalises our approach to fully disregarding war pensions the impact has been assessed as low but the impact assessment can be found [here](#).

Climate change Low Impact

Risk: Low Risk;

Links to background information

Link to [Council Plan](#)

Priorities (check which apply)

- Better homes and communities for all
- A greener East Devon
- A resilient economy

1. Background

- 1.1 Housing Benefit is a means tested benefit for residents on a low income to help with rental payments.
- 1.2 War pensions are granted as compensation for injuries, illness or death caused by service in the armed forces prior to 6 April 2005.
- 1.3 For injuries, illness or death caused on or after 6 April 2005 compensation is provided under The Armed Forces Compensation Scheme.
- 1.4 Under Housing Benefit legislation only £10 of the income received under one of these schemes is disregarded from the means test, however we can fully disregard the remaining 100% of income through a local modified scheme. This is made possible through the Welfare Reform Act 2007 and the subsequent War Pensions Disregards Regulations 2007.
- 1.5 Since these regulations came into effect EDDC have fully disregarded this income under our modified scheme along with most other Local Authorities in England, Scotland and Wales. Disregarding the income from these payments is a cost met by the Local Authorities.
- 1.6 Each year we have an external audit carried out on our subsidy claim (the payment we receive back from the Department for Works and Pensions (DWP) for administering Housing Benefit). During the audit for 2022/23 we were asked to provide sight of the policy and unfortunately due to the office moves, changes in management and the length of time since the original policy was put into effect, we have not been able to locate it. We are aware that there are some other authorities who are in a similar position. The DWP have requested that all Members have sight of the policy and hence the reason for this report.

2. Caseload

- 2.1 The number of veterans who are currently in receipt of Housing Benefit is broken down into types of accommodation they are residing in. This is either temporary accommodation (non-hra), council owned accommodation (rent rebate) and either privately owned or other social housing (rent allowance).

	2021/22	2022/23
Non-HRA	0	0
Rent Rebate	11	12
Rent Allowance	10	11
TOTAL	21	23

- 2.2 The following figures have broken the number of residents receiving Housing Benefit into working age and those residents who have reached pension age.

	2021/22	2022/23
Working Age	9	16
Pensioner Age	12	7
TOTAL	21	23

- 2.3 For this current financial year, 2023/24 we have 21 veterans receiving a full disregard from their war pensions under our modified scheme.

3. Proposed policy

- 3.1 The proposed policy is to continue allowing the full disregard of income received from war pensions for the purposes of Housing Benefit.

4. Other considerations

- 4.1 Disregarding the income received by veterans from war pensions is a cost that is met by EDDC directly.
- 4.2 The financial cost to EDDC for financial year 2022/23 was £56,258. This related to £28,941 for HRA properties and £27,317 for RA properties. There was no financial cost for Non-HRA properties during 22/23.
- 4.3 Based on the current number of veterans receiving Housing Benefit in September 2023 we are unlikely to see a large rise in the cost of the scheme.

5. Summary

- 5.1 This policy is a relatively low cost to EDDC and would ensure that we continue to support veterans and their families.
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Financial implications:

The cost of the scheme is already included in the Council's budget.

Legal implications:

The legal issues are dealt with in the body of the report.