



Committee and date

Audit Committee

18 June 2010

10.00 am

Item No

21

Public

REQUEST FOR APPROVAL TO DISREGARD WAR PENSIONS FROM HOUSING AND COUNCIL TAX BENEFIT CALCULATIONS

Responsible Officer Laura Rowley

Email: laura.rowley@shropshire.gov.uk

Telephone: 01743 252007

Summary

The Social Security Administration Act 1992 section 134(8)(b) and 139(6)(b) provides Local Authorities with the discretion to increase the amount of war pension it disregards when calculating Housing and, or Council Tax Benefit.

This is done by introducing a 'local scheme' whereby the authority is permitted to disregard war disablement pensions and war pensions to surviving spouses or civil partners, in whole or in part, over and above the disregard required by law (presently £10).

Recommendations

- A. Members are asked to approve the disregard of war pensions in full in the calculation of Housing Benefit.
- B. Members are asked to approve the disregard of war pensions in full in the calculation of Council Tax Benefit.

Report

Background

- 1. The five former district councils had all approved a discretionary local scheme to disregard the full amount of any War Pension in payment.
- 2. There are two types of disregard for War pensions:
 - a) A statutory disregard of £10 which is applied to War Pensions in calculating entitlement to Housing Benefit and/or Council Tax Benefit. In addition, there is a statutory disregard of £78.48 for pre-1973 War Widows' Pensions. Statutory disregards are fully subsidised.

- b) A discretionary local scheme under which an LA can apply for a further disregard up to the full amount of any War Pension in payment. Any additional benefit granted due to a disregard above the statutory levels is not subsidised, but it is funded from the Authorities own resources.

Number of claims affected

- 3. At 1 April 2010 there are 204 claims where a local scheme disregard applies.

Financial Impact

- 4. Any additional benefit granted due to a disregard that is above the statutory levels (£10) will reduce the amount of subsidy received by the Council. 75% of this additional benefit is compared to 0.2% of the total subsidy claimed by the Council and the Council can claim back the lower of these two figures.
- 5. In 2009/10 Shropshire Council had additional costs of £128,397 but were able to claim back 75% of this (£96,298) because it represented less than 0.2% of total benefit subsidy claimed.
- 6. The cost to Shropshire Council of disregarding war pensions and war disablement pensions in full was therefore £32,099.00.

Appeals

- 7. The question of whether or not an authority should run a local scheme is not open to the Appeal process.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)
Social Security Administration Act 1992 section 134(8)(b) and 139(6)(b)

Human Rights Act Appraisal

Environmental Appraisal

Risk Management Appraisal

Having a clear approach to disregards in respect of housing and council tax benefit calculations ensures consistency of service delivery.

Community / Consultations Appraisal

Cabinet Member

Keith Barrow, Leader of the Council and Brian Williams, Chairman of Audit Committee

Local Member

Appendices

None