



Purpose: For Decision

Full Council report

Date **15 MARCH 2023**

Title **LOCAL HOUSING BENEFIT SCHEME REVIEW**

Report of **CABINET MEMBER FOR STRATEGIC FINANCE,
TRANSFORMATIONAL CHANGE AND CORPORATE
RESOURCES**

EXECUTIVE SUMMARY

1. This report is being brought to Cabinet and Full Council to review the Isle of Wight Council's current local discretionary scheme for Housing Benefit.
2. The Housing Benefit scheme is a national scheme that is administered locally by local authorities on behalf of central government. The majority of this scheme is mandatory, but authorities have discretion to implement a local scheme which allows certain prescribed incomes to be disregarded in the calculation of Housing Benefit entitlement. These incomes are commonly known as War Disablement and War Widow's Pensions.
3. The Isle of Wight Council previously made the decision to adopt a scheme to disregard these incomes in full. This has been in operation since the late 1980s.
4. This scheme can be reviewed periodically. Therefore, the outcome of the recommendation to continue this scheme will mean that claimants in receipt of these incomes will continue to receive the same level of Housing Benefit entitlement as they do currently.

RECOMMENDATION

5. That Full Council approves the continuation of the Isle of Wight Council's discretionary scheme to disregard War Disablement and War Widow's Pensions in full from the calculation of income for Housing Benefit purposes (Option A);

And that Full Council delegates future minor changes or reviews to this scheme to the Cabinet Member for Strategic Finance, Transformational Change and Corporate Resources in consultation with the Benefits Manager (Option C).

BACKGROUND

6. The statutory scheme, as set by central government, only disregards £10 per week from their income in the calculation of Housing Benefit entitlement.

7. Central government gave local authorities the discretion to disregard up to 100 per cent of any War Disablement or War Widow's Pension (and prescribed versions of these incomes).
8. The Isle of Wight Council previously made the decision to disregard the full 100 per cent of these incomes from Housing Benefit calculations in its local discretionary scheme since the late 1980s. In 2021/22, there were 18 Housing Benefit claims where this scheme applied.
9. Appendix 1 to this report sets out the provisions of the current discretionary scheme to be reviewed.
10. The Isle of Wight Council also disregards these prescribed incomes in full within its own Local Council Tax Support scheme and has done so since the scheme came into force in 2012.
11. Disregarding the prescribed incomes in full aligns with the Isle of Wight Council's commitment under the Armed Forces Covenant to offer support to the local Armed Forces residents and their families and to give special consideration to those who have been injured and or bereaved as a result of service.

CORPORATE PRIORITIES AND STRATEGIC CONTEXT

Provision of affordable housing for Island Residents

12. This scheme assists those Island residents in receipt of a War Disablement or War Widow's Pension by disregarding these incomes in full for Housing Benefit purposes. This assists with the provision of affordable housing for these residents, as it means that their Housing Benefit entitlement is not reduced as a result of having these pensions.

Responding to climate change and enhancing the biosphere

13. This scheme supports those within the community in receipt of a War Disablement or War Widow's Pension living within the UNESCOs biosphere through enabling sustainable housing, reducing potential poverty, and reducing inequalities.

Economic Recovery and Reducing Poverty

14. The Council intends to take full advantage of the powers within legislation to provide additional support to Island residents and reduce poverty. This scheme provides protection to vulnerable residents and ensures that they are not disadvantaged by reducing their Housing Benefit entitlement as a result of having these incomes.

Impact on Young People and Future Generations

15. The provisions of this scheme do not directly impact young people, however there may be young people or children in the households of those residents receiving a War Disablement or War Widow's Pension. By continuing to disregard the pension incomes in full, it prevents these children from being negatively impacted by Housing Benefit changes.

16. Equally, future generations may be affected if they claim Housing Benefit in the future and they or their partner is injured, ill or dies as a result of military service and they receive a War Disablement or War Widow's Pension for this reason.

Corporate Aims

17. This scheme supports the corporate aim to '*Provide greater support to those on low incomes, including through the local council tax support scheme*' as residents in receipt of Housing Benefit are considered to be 'low-income households' and include those with vulnerabilities. Many of these residents will also be in receipt of local council tax support, under which these pensions are also fully disregarded.

CONSULTATION

18. There is no requirement for any consultation on this scheme. Unless there are any legislative changes to be made, the scheme can be periodically reviewed.

FINANCIAL / BUDGET IMPLICATIONS

19. Housing Benefit is funded by central government and administered by the local authority. Each year, the local authority must submit a subsidy claim to government to recoup the costs of making Housing Benefit payments to residents.
20. For claims which are affected by the local discretionary scheme, local authorities are able to claim back 75 per cent of their costs through the subsidy claim each year.
21. In 2021/22, the Isle of Wight Council spent a total of £42,909 on cases affected by this discretionary scheme, of which £32,180 was funded through the subsidy claim. This meant that the overall cost to the council was £10,729.
22. The estimated expenditure for these cases for 2023/24, which has been based on the initial subsidy estimate, is £49,573. Of this, £37,180 will be funded through the subsidy claim. This means that the overall cost to the council would be £12,393.

LEGAL IMPLICATIONS

23. This scheme was adopted in line with sections 134(8) and 139(6) Social Security Administration Act 1992, which enables the Council to resolve to disregard 100 per cent of the prescribed incomes for working age and pension age claimants.

EQUALITY AND DIVERSITY

24. The council as a public body is required to meet its statutory obligations under the Equality Act 2010 to have due regard to eliminate unlawful discrimination, promote equal opportunities between people from different groups and to foster good relations between people who share a protected characteristic and people who do not share it. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
25. Under the Equality Act 2010 we are required to have due regard to our equality duties when making decisions, reviewing services, undertaking projects, developing

and reviewing policies.

26. Appendix 2 sets out the Equality Impact Assessment undertaken for the review of this scheme.
27. The assessment shows that if the recommended option to continue the current discretionary scheme is accepted, there will be no impact on any of the protected characteristic groups. However, if the decision is made not to continue the scheme, there would be a negative impact on those residents who have disabilities as a result of their injuries sustained during service which entitles them to receive a War Disablement Pension. Equally, if the scheme were not continued, there would be a negative impact on partners who receive a War Widow's Pension due to the bereavement of their Armed Forces partner.

OPTIONS

28. **Option A**
That Full Council approves of the continuation of the Isle of Wight Council's discretionary scheme to disregard War Disablement and War Widow's Pensions in full from the calculation of income for Housing Benefit purposes.
29. **Option B**
That Full Council ends the Isle of Wight Council's current scheme to disregard the above prescribed incomes in full from the calculation of Housing Benefit and revert to disregarding only £10 per week as per the statutory national scheme.
30. **Option C**
That Full Council delegates minor changes and future reviews of the scheme to the Cabinet Member for Strategic Finance, Transformational Change and Corporate Resources in consultation with the Benefits Manager.

RISK MANAGEMENT

31. The use of monies which can be mostly recouped through central government has a positive impact in alleviating financial pressures for those on Housing Benefit and in receipt of one of the prescribed War Disablement or War Widow's Pensions.
32. Due to the small number of Housing Benefit claims affected, the actual cost to the council is minimal. The costs are monitored on an annual basis through the council's subsidy claim which is submitted to central government. The return contains information on the total amount spent on affected claims, and then calculates the 75 per cent owed back to the council through the final subsidy claim. Therefore, the benefit to local residents is considered to outweigh the cost implications to the council.
33. To adopt Option B and discontinue the current scheme would risk counteracting the council's commitment to the Armed Forces Covenant and would go against its overall corporate aims and objectives.
34. To adopt Option B, and discontinue this discretionary scheme for Housing Benefit, would not align with the current Local Council Tax Support scheme. This risks causing confusion and administration issues as the two schemes run alongside each other.

EVALUATION

35. Option A is being recommended because it is considered as a minimal financial impact to the council to continue providing the maximum possible support to local residents who receive a War Disablement or War Widow's Pension under this scheme.
36. Option B does not align with the council's commitment to support such residents under the Armed Forces Covenant, and therefore this option would not be recommended by the service area.
37. Option C is being recommended to enable regular reviews of the policy to be undertaken quickly and efficiently, and if there are no changes or minor changes to be made, this can be delegated to an officer in consultation with the cabinet member for the service area.

APPENDICES ATTACHED

38. Appendix 1 – Isle of Wight Council Local Housing Benefit scheme
39. Appendix 2 – Equality Impact Assessment for the review of the scheme

Contact Point: Erin Rhodes, Benefits Assistant Manager, ☎ 823950 e-mail erin.rhodes@iow.gov.uk

Sharon Betts
Director for Corporate Services

Councillor Chris Jarman
*Cabinet Member for Strategic Finance,
Transformational Change and Corporate
Resources*