



Report to: Council

Date of Meeting: 30 March 2006
Report from: Revenues & Benefits Manager

Title of Report: Full disregard of war pensions in the assessment of housing and council tax benefit.

Agenda Item Number: 10

1. PURPOSE AND SUMMARY

The purpose of this report is to seek the approval of Full Council to disregard war pensions in full in the assessment of housing and council tax benefit from 1 April 2006. The report was approved by the Executive Committee on 6 March 2006.

2. CONSULTATION

2.1 The Director of Resources has been consulted in relation to this.

3. CORPORATE PLAN AND PRIORITIES

3.1 The disregard of war pensions in the assessment of housing and council tax benefit is not part of the corporate plan and priorities but it will assist in ensuring that customers do not face unnecessary poverty and have a better standard of living.

4. IMPLICATIONS

4.1 Financial

The financial implications are outlined in appendix A.

4.2 Legal

There are no legal implications associated with this report.

4.3 Personnel

There are no personnel implications associated with this report

4.4 Other Services

There are no implications for other Services

4.5 Diversity

The disregard of war pensions and war disablement pensions has a direct impact of older people and people with disabilities

4.6 Risk

Risks associated with this report include: -

Risk	Consequence
Change in subsidy rules	Increased cost to Local Authority
Additional customers becoming entitled to war pensions	Increased cost to Local Authority
Not disregarding full war pension	Continuous criticism for our customers

5. **BACKGROUND, POSITION STATEMENT AND OPTION APPRAISAL**

- 5.1 Currently Chester-le-Street District Council is one of two Councils in England and Wales that does not disregard war pensions in full.
- 5.2 A mandatory disregard of £10.00 is already deducted from war pensions in accordance with benefit legislation and full subsidy is reclaimed.
- 5.3 In addition to the mandatory £10.00 we currently apply a local disregard of £40.00 and in accordance with current subsidy rules 75% subsidy is reclaimed.
- 5.4 On the 1st April each year following agreed local arrangements the disregard is increased by £10.00, which means from 1 April 2006 the new local disregard will be £50.00.
- 5.5 Based on the current benefit caseload we have 26 customers who have a war pension, of these there are only 11 customers whose war pensions are not disregarded in full.
- 5.6 Currently the extra cost of applying the full disregard to the 11 war pensions is estimated at £1564.44 for 2006 / 2007. This is based on current caseload and current subsidy arrangements and both these could change. It is proposed that the additional cost of disregarding war pensions will be funded from the overall budget for housing and council tax currently £13 million.

6. **RECOMMENDATIONS**

- 6.1 It is recommended that Full Council gives approval to allow the full disregard of war pensions on the assessment of housing and council tax benefit from 1 April 2006

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DESIGNATION	Revenues and Benefits Manager
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Appendix A

Cost of War Pension disregard

Current cost

Expenditure incurred due to war pension disregard of £40.00	12,096.56
Subsidy received at 75%	9,072.42
Cost to Local Authority	3,024.14

Cost from 1.4.06

Expenditure incurred due to war pension disregard in full	18,354.24
Subsidy received at 75%	13,765.68
Cost to Local Authority	4,588.56
Extra cost to Local Authority	1,564.44