

**Report to:** EXECUTIVE CABINET

**Date:** 27 September 2023

**Executive Member:** Councillor J North, First Deputy – Finance, Resources and Transformation

**Reporting Officer:** Ilys Cookson – Assistant Director Exchequer Services

**Subject:** HOUSING BENEFIT MODIFIED SCHEME

**Report Summary:** The Council administers Housing Benefit for the Department of Work and Pensions in accordance with legislation. Section 134(8)(a) of The Social Security Administration Act 1992 allows authorities to modify the Housing Benefit scheme, the cost of which is met by the Council.

The Council has modified the scheme for many years to offer additional protection to residents in receipt of any prescribed war disablement pension or prescribed war widow’s pension. The report seeks clarification that the Modified Scheme should continue.

**Recommendations:** Executive Cabinet APPROVES continuation with the Modified Scheme for Housing Benefit as detailed in Section 2 of this report for a 12 month period.

**Corporate Plan:** The report supports the ‘Nurturing our Communities’ and ‘Live Longer and Healthier Lives’ Corporate Plan priority themes.

**Policy Implications:** The Modified Scheme supports Tameside’s Armed Forces Covenant by providing additional assistance with housing rental costs.

**Financial Implications:  
(Authorised by the  
statutory Section 151  
Officer & Chief Finance  
Officer)** The Council has an approved budget for Housing Benefit as part of the General Fund. For 2023/24 the net budget is a credit of £0.293m, i.e., the Council plans to receive government grant and overpayments to a larger value than it will expend in resources.

Within this budget is an allowance for the cost of the Modified Scheme.

The Council receives an annual subsidy amount from the DWP capped at 75% of the total cost to the council. The table overleaf outlines the position from 2018/19 to 2023/24 including the subsidy payable.

The Housing Benefit caseload and expenditure is reducing due to the migration of working age claims to Universal Credit, which is administered by the DWP. An additional factor to the reduction in cost for the Modified Scheme is that claimant’s receiving prescribed war disablement pension or prescribed war widow’s pension are sadly passing away. The current caseload for which the Modified Scheme applies is 11 claims.

There will come a point in time where the modification to the Housing Benefit scheme will no longer be required, either through eligible residents passing away or transferring from Housing Benefit to Universal Credit. Consideration for this will need to be considered

for budget setting purposes through the Medium Term Financial Strategy (MTFS)

**Table 1: Cost of Modified Scheme for Tameside:**

<b>Audited Final Subsidy Claim for Housing Benefit</b>				
<b>£m</b>				
<b>Year</b>	<b>Final Subsidy Claim</b>	<b>Modified Scheme</b>	<b>DWP Contribution</b>	<b>Cost to the Council</b>
<b>2018 / 2019</b>	71.897	0.051	0.038	0.013
<b>2019 / 2020</b>	62.192	0.068	0.051	0.017
<b>2020 / 2021</b>	57.569	0.031	0.023	0.008
<b>2021 / 2022</b>	53.609	0.024	0.018	0.006
<b>2022 / 2023*</b>	55.086	0.028	0.021	0.007
<b>2023 / 2024</b>	52.857	0.027	0.020	0.007

\* Awaiting final confirmation from external auditors.

**Legal Implications:  
(Authorised by the  
Borough Solicitor)**

Local authorities administer Housing Benefit on behalf of the Department of Work and Pensions (DWP) in accordance with the Social Security Contributions and Benefits Act 1992 and the Social Security Administration Act 1992.

The provisions for entitlement to Housing Benefit are contained in two sets of legislation. For working age claimants, the conditions to be satisfied are contained in The Housing Benefit Regulations 2006 and for pension age claimants The Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006.

Section 134(8)(a) of The Social Security Administration Act 1992 states:

*An authority may modify any part of the Housing Benefit scheme administered by the authority;*

*(a) so as to provide for disregarding, in determining a person's income (whether he is the occupier of a dwelling or any other person whose income falls to be aggregated with that of the occupier of a dwelling), the whole or part of any prescribed war disablement pension or prescribed war widow's pension payable to that person;*

*(b) to such other extent in other respects as may be prescribed, and any such modifications may be adopted by resolution of an authority.*

The Council has modified the scheme for many years to offer additional protection to residents in receipt of any prescribed war disablement pension or prescribed war widow's pension, which is in line with statute.

**Risk Management:**

Risk Assurance is set out in section 5 of this report.

**Access to Information:**

Further information is available from Ilys Cookson, Assistant Director Exchequer Services.

**Background Information:**

The background papers relating to this report can be inspected by contacting Ilys Cookson Assistant Director Exchequer Services



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## **1. INTRODUCTION**

- 1.1 Local authorities administer Housing Benefit on behalf of the Department of Work and Pensions (DWP).
- 1.2 Section 134(8)(a) of The Social Security Administration Act 1992 states:  
*An authority may modify any part of the Housing Benefit scheme administered by the authority;*  
*(a) so as to provide for disregarding, in determining a person's income (whether he is the occupier of a dwelling or any other person whose income falls to be aggregated with that of the occupier of a dwelling), the whole or part of any prescribed war disablement pension or prescribed war widow's pension payable to that person;*  
*(b) to such other extent in other respects as may be prescribed,*  
*and any such modifications may be adopted by resolution of an authority.*
- 1.3 The Council has modified the scheme for many years to offer additional protection to residents in receipt of any prescribed war disablement pension or prescribed war widow's pension.

## **2. HOUSING BENEFIT FUNDING**

- 2.1 The Council is reimbursed by the DWP for the expenditure for Housing Benefit. The funding provided to pay Housing Benefit is called subsidy.
- 2.2 At the beginning of each financial year the Council submit the estimated cost of Housing Benefit to the DWP. Based on this information the DWP make a monthly payment to the Council.
- 2.3 At the end of each financial year, a final claim is made to the DWP for the actual amount of Housing Benefit expenditure made during the past year. The Housing Benefit claim is then audited by external auditors. The auditors for the financial year 2023 / 2024 are KPMG.
- 2.4 As part of the audit, KPMG require assurance that the Councillors have agreed to continue with the Modified Scheme.

## **3. THE MODIFIED SCHEME**

- 3.1 Housing Benefit is a means tested benefit and entitlement is based on a comparison of the amount of the claimant's household income against an applicable amount, which is the minimum level of income for the household determined by the DWP. Living expenses are not taken into account in the calculation of Housing Benefit entitlement.
- 3.2 Legislation determines which income and benefits should be included in the calculation to determine entitlement. War disablement pension or war widow's pension are included as income in the calculation, which can reduce the amount of Housing Benefit the claimant is entitled to receive. However, Tameside's Modified Scheme, which has been in place for many years, disregards such income and which means that more Housing Benefit can be paid to the claimant.
- 3.3 Tameside's Modified Scheme is as follows:  
In determining the income of a claimant of Housing Benefit, or the partner, the whole of any prescribed war disablement pension or prescribed war widow's pension payable to that person shall be disregarded. This includes the following:
- a war disablement pension;
  - a war widow's pension or war widower's pension;

- a pension payable to a person as a widow, widower or surviving civil partner under any power of Her Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
- a payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub-paragraphs;
- a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in sub-paragraphs (a) to (d) above;
- a pension paid by a government to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria.

3.4 The impact of the Modified Scheme for the claimant is that they may qualify for, or receive more, Housing Benefit than under the prescribed legislation, and which is financially advantageous to the claimant.

3.5 The current Housing Benefit caseload in Tameside for which the Modified Scheme applies is just 11 claimants, who are in receipt of a war widows' pension or war widowers pension, and in receipt of Housing Benefit prior to Universal Credit being introduced. Modified Scheme claim numbers will not increase as recipients of the pensions are likely to have been awarded the pension because of World War Two and are now elderly. Any such pensions awarded in respect of later wars will be awarded to considerably younger claimants and for whom Universal Credit applies as the Council are unable to accept new Housing Benefit claims for residents of working-age in accordance with DWP guidance.

#### **4. RISK ASSURANCE**

4.1 The Council is required to keep accurate records of benefit spending falling into different categories for the purpose of the subsidy claim to the DWP.

4.2 The subsidy claim is submitted on an annual basis. The following documents are submitted to the DWP:

- Initial Estimate for the forthcoming financial year submitted beginning of March,
- Mid-Year Estimate submitted end of August,
- Initial end of year claim submitted by end of April of next financial year,
- Final Subsidy claim submitted end of November of next financial year.

4.3 Prior to the Final Subsidy claim being submitted, the claim must be audited by external auditors. The auditors for the financial year 2023 / 2024 are KPMG. The auditors have, in recent years, checked the validity of any claims paid under the Council's Modified Scheme and seek assurance that governance is in place to operate the scheme.

#### **5. CONCLUSION**

5.1 The Council administers Housing Benefit on behalf of the DWP in accordance with the Social Security Contributions and Benefits Act 1992 and the Social Security Administration Act 1992.

5.2 Section 134(8)(a) of The Social Security Administration Act 1992 allows local authorities to modify the Housing Benefit scheme, the cost of which is met by the Council. The Council has modified the scheme for many years to offer additional protection to residents in receipt of any prescribed war disablement pension or prescribed war widow's pension.

5.3 The cost to the Council for 2023 / 2024 is estimated to be £26,794 less a payment from the DWP, in lieu of the Council having a local scheme, of £20,096, resulting in an estimated net

cost to the Council of £6,698. It is envisioned that the cost will reduce year on year due to the impact of Universal Credit migration and reducing eligible claimant numbers.

## **6. RECOMMENDATIONS**

7.1 As set at the front of this report.