

# CHESHIRE EAST COUNCIL

## CABINET

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**Date:** 3 February 2009  
**Report of:** Borough Treasurer & Head of Assets  
**Title:** War Widows (Widowers) and War Disablement Pensions and Armed Forces and Reserved Forces Compensation Scheme

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### **1.0 Purpose of Report**

1.1 To consider options and recommendations for the following issue:

Disregard income from War Widows (Widowers) and War Disablement Pensions and the Armed Forces and Reserved Forces Compensation Scheme when assessing entitlement to:

- a. Housing Benefit and
- b. Council Tax Benefit.

### **2.0 Decision Required**

2.1 To agree the amount of pension to be disregarded when calculating entitlement to Housing Benefit and Council Tax Benefit as detailed in Section 7.0.

### **3.0 Financial Implications for Transitional Costs**

3.1 None

### **4.0 Financial Implications for 2009/10 and beyond**

4.1 The estimated cost to the Council is shown in Section 7.3 and is not expected to increase.

### **5.0 Legal Implications**

5.1 None

### **6.0 Risk Assessment**

6.1 A decision is needed if the pensions are to continue to be disregarded for the next and subsequent financial years.

### **7.0 Background and Options**

7.1 The Housing Benefit Regulations and Council Tax Regulations (2006) make provision for the first £10 of a War Disablement or War Widow's Pension to be disregarded when calculating an applicant's income. The cost of this disregard is fully reimbursed to the Council by the government.

7.2 The legislation also allows the Council to disregard any other part of these pensions and all three Councils have wholly disregarded the payments for a number of years.

7.3 The government will provide further funding of 75% of expenditure up to the threshold figure (the threshold figure is 0.2% of total subsidy claimed before any additional local scheme spend).

Details of expenditure for the three authorities for the last complete year are shown here:

**Table A**

2007/08	Total Subsidy Claimed before any addition to local scheme	Threshold calculation 0.2% of a.	Actual expenditure in 2007/08	Amount of subsidy received	Cost to Council
	<b>a.</b>	<b>b.</b>	<b>c.</b>	<b>d.</b>	<b>e.</b>
Congleton	£16,152,455	£32,305	£21,004	£15,753	£5,251
Crewe and Nantwich	£24,278,121	£48,556	£30,223	£22,667	£7,556
Macclesfield	£26,863,733	£53,727	£65,736	£49,302	£16,434
Total					£29,241

An estimate of the expenditure for Cheshire East is shown below:

**Table B**

2009/10	Estimated total Subsidy Claimed before any addition local scheme	Threshold calculation 0.2% of a.	Estimated Expenditure 2009/10	Amount of subsidy received	Estimated cost to Council
	<b>a.</b>	<b>b.</b>	<b>c.</b>	<b>d.</b>	<b>e.</b>
Cheshire East	£70,659,024	£141,318	£117,000	£87,750	£29,250

7.4 As can be seen in the above Table B the estimated level of expenditure will be less than the threshold, which means that 75% of the cost would be covered by subsidy.

7.5 The actual cost shown in column **e** has been static over recent years and, by the very nature of the pensions, large increases in future years are not anticipated.

## **8.0 Reasons for Recommendations**

8.1 It is recommended that Cheshire East Council wholly disregards War Widows (Widowers) and War Disablement Pensions and the Armed Forces and Reserved Forces Compensation Scheme payments when assessing entitlement to:

- a. Housing Benefit
- b. Council Tax Benefit

### ***For further information:***

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***Background Documents:***

*None*