

EXECUTIVE MEMBER - FINANCE

A meeting of the Executive Member - Finance was held on Friday, 21 February 2025.

PRESENT: Councillor N Walker.

OFFICERS: C Lunn and D Nolan.

APOLOGIES FOR ABSENCE: None.

24/1 **DECLARATIONS OF INTEREST**

No declarations were made at this point in the meeting.

24/2 **HOUSING BENEFIT LOCAL SCHEME**

The Executive Member for Finance considered a report concerning the Housing Benefit Local Scheme.

The report sought approval for the ongoing full disregard of war pensions as income in the calculation of Housing Benefit entitlement.

Housing Benefit was calculated by reference to the amount of income a claimant had over their requirement to meet living costs, or excess income, as defined in regulations. Certain income was disregarded in the calculation, but modifying the standard benefit scheme to disregard prescribed war disablement and war widows' pensions in full had the effect of reducing the amount of excess income and increasing entitlement to benefit.

Section 134 of the Social Security Administration Act 1992 permitted a local authority to modify any part of the housing benefit scheme administered by the authority, subject to adoption by resolution of the authority. Approving the ongoing operation of a modified scheme in Middlesbrough would provide evidence that the authority had so resolved, and that in so doing one of the key principles of the Armed Forces Community Covenant was upheld.

Housing Benefit was funded through government subsidy, but for a modified scheme element a ceiling of 0.2% of the subsidy claimed excluding local scheme cost applied, with 75% of the cost being met by government up to this limit. For benefit paid in 2024-25 the ceiling was £85,788, whilst expenditure was £55,428, and so £41,571 was claimed in subsidy based on the 75% rate provided for. The overall cost of the modification to the Council was therefore minimal, at £13,857.

OPTIONS

The Council could have chosen not to operate a modified scheme and to have revoked the resolution deemed to have been made historically, but the financial cost saving would have been minimal. Therefore, this may have potentially substantially affected the benefit entitlement of some claimants, who would have lost out on payments of four times the sum due to the lost central government subsidy. This would have also required consultation prior to implementation.

The Council could also have chosen to vary its scheme to allow less than a 100% disregard from income, but the same imbalance in financial effect as for revoking the resolution would have resulted.

ORDERED that the Executive Member for Finance approve the ongoing full disregard of war pensions as income in the calculation of Housing Benefit entitlement.

REASONS

The decision was required as the record of the original resolution was no longer held and following receipt of the Department Work and Pensions audit report on the 2021-22 subsidy claim, the Section 151 officer was required to provide written confirmation

about Member access to a record of the Council's modification to the scheme by 21 February 2025.

This was not a key decision and therefore it did not need to comply with the General Exception and notice periods as outlined in part 6.32 of the Constitution. The report did not propose a change and did not have an impact on the overall budget or policy framework and therefore met the criteria for Single Executive approval.

Section 134 of the Social Security Administration Act 1992 permitted a local authority to modify any part of the housing benefit scheme administered by the authority, subject to adoption by resolution of the authority.

Middlesbrough Council had fully disregarded war pensions income since the introduction of Housing Benefit under the Act in 1992, but the record of the original resolution was no longer held, and so the decision allowed the Council to meet the requirement of the Department for Work and Pensions that Members had access to a record of the Council's modification to the scheme.

Middlesbrough Council had approved, annually, in full Council, the disregard of war pensions incomes under the terms of the local Council Tax Reduction Scheme, which was in accordance too with the Council's adoption of the Armed Forces Community Covenant.

Motion 23/57, "Credit Their Service", amended the Discretionary Housing Payments and Disabled Facilities Grant schemes to disregard Military Compensation and Supplementary payments, recognising that these were already disregarded in other locally administered means tested benefits.

24/3

ANY OTHER URGENT ITEMS WHICH IN THE OPINION OF THE CHAIR, MAY BE CONSIDERED.

None.

The decision will come into force after five working days following the day the decision was published unless the decision becomes subject to the call in procedures.