

EXECUTIVE MEMBER FINANCE

Date: Friday 21st February, 2025
Time: 9.00 am
Venue: Spencer Room, Town Hall (Municipal Buildings)

AGENDA

1. Declarations of Interest
2. Housing Benefit Local Scheme 3 - 8
3. Any other urgent items which in the opinion of the Chair, may be considered.

Charlotte Benjamin
Director of Legal and Governance Services

Town Hall
Middlesbrough
Thursday 13 February 2025

MEMBERSHIP

Councillors N Walker

Assistance in accessing information

Should you have any queries on accessing the Agenda and associated information please contact Chris Lunn/ Scott Bonner, 01642 729742/ 01642 729708, chris_lunn@middlesbrough.gov.uk/ scott_bonner@middlesbrough.gov.uk

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MIDDLESBROUGH COUNCIL	
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Report of:	Director of Finance and Transformation (S151 Officer)
Relevant Executive Member:	Executive Member for Finance
Submitted to:	Executive Member for Finance
Date:	21 February 2025
Title:	Housing Benefit Local Scheme
Report for:	Decision
Status:	Public
Council Plan priority:	A healthy place
Key decision:	No
Why:	Decision does not reach the threshold to be a key decision
Subject to call in?:	Yes
Why:	Non urgent

Executive summary	
<p>This report seeks approval for the ongoing full disregard of war pensions as income in the calculation of Housing Benefit entitlement.</p> <p>Section 134 of the Social Security Administration Act 1992 permits a local authority to modify any part of the housing benefit scheme administered by the authority, subject to adoption by resolution of the authority.</p> <p>Middlesbrough Council has fully disregarded war pensions income since the introduction of Housing Benefit under the Act in 1992. However, the record of the original resolution is no longer held, therefore the decision requested will allow the Council to meet the requirement of the Department for Work and Pensions that Members have access to a record of the Council's modification to the scheme.</p> <p>The implications of the recommendation have been considered by the appropriate officers of the Council and are set out in the main body of the report.</p> <p>The Council could choose not to operate a modified scheme and to revoke the resolution, but the financial cost saving would be minimal and may potentially substantially affect the benefit entitlement of some claimants who would lose out on</p>	

payments of four times the sum due to the lost central government subsidy. This would also require consultation prior to implementation.

The Council could also choose 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 result and consultation would also be required.

Purpose

1.1 This report seeks approval for the ongoing full disregard of war pensions as income in the calculation of Housing Benefit entitlement.

2. Recommendations

2.1 That the Executive Member for Finance

- approves the ongoing full disregard of war pensions as income in the calculation of Housing Benefit entitlement.

3. Rationale for the recommended decision(s)

3.1 The urgent decision is required as the record of the original resolution is no longer held and following receipt of the Department Work and Pensions audit report on the 2021-22 subsidy claim, the Section 151 officer is required to provide written confirmation about Member access to a record of the Council's modification to the scheme by 21 February 2025.

3.2 This is not a key decision therefore does not need to comply with the General Exception and notice periods as outlined in part 6.32 of the Constitution.

3.3 The report does not propose a change and does not have an impact on the overall budget or policy framework and therefore meets the criteria for Single Executive approval.

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

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

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

3.7 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: [\(Public Pack\)Agenda Document for Council, 29/11/2023 19:00 \(middlesbrough.gov.uk\)](#)

4. Background and relevant information

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

4.2 Section 134 of the Social Security Administration Act 1992 permits 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 will provide evidence that the authority has so resolved, and that in so doing one of the key principles of the Armed Forces Community Covenant is upheld.

4.3 Housing Benefit is funded through government subsidy, but for a modified scheme element a ceiling of 0.2% of the subsidy claimed excluding local scheme cost applies, 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.

5. Other potential alternative(s) and why these have not been recommended

5.1 The Council could choose not to operate a modified scheme and to revoke the resolution deemed to have been made historically, but the financial cost saving would be minimal, and therefore may potentially substantially affect the benefit entitlement of some claimants, who would lose out on payments of four times the sum due to the lost central government subsidy. This would also require consultation prior to implementation.

5.2 The Council could also choose 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 result.

6. Impact(s) of the recommended decision(s)

Topic	Impact
Financial (including procurement and Social Value)	The status quo is maintained, so that there is no additional cost to the Council or detriment to benefit claimants.
Legal	Compliance with legal requirements can be maintained
Risk	The report ensures that there is adequate governance in place to comply with all relevant legislation and the Council

	does not breach governance requirements or fail to deliver organisational priorities (Risk 08-054).
Human Rights, Public Sector Equality Duty and Community Cohesion	There are no disproportionate adverse impacts on any group or individuals with characteristics protected in UK equity law.
Climate Change / Environmental	There are no disproportionate adverse impacts on the aspirations of the Council to achieve net zero, net carbon neutral or be the lead authority on environmental issues.
Children and Young People Cared for by the Authority and Care Leavers	This report has no impact on children and young people cared for by the Authority and Care Leavers.
Data Protection	The collation and use of personal data will be managed in accordance with the Council's Data Protection policy. Privacy notice - Housing Benefit and Council Tax Reduction Middlesbrough Council

Actions to be taken to implement the recommended decision(s)

Action	Responsible Officer	Deadline
Maintain record of decision and publish in accordance with Council requirements	Janette Savage	28.2.25

Appendices

1	Impact Assessment
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Background papers

No background papers were used in the preparation of this report

Contact: Janette Savage – Head of Resident and Business Support

Email: janette_savage@middlesbrough.gov.uk

Impact Assessment Level 1: Initial screening assessment

Subject of assessment:	Housing Benefit Local Scheme			
Coverage:	Crosscutting			
This is a decision relating to:	<input type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input type="checkbox"/> Service	<input type="checkbox"/> Function
	<input checked="" type="checkbox"/> Process/procedure	<input type="checkbox"/> Programme	<input type="checkbox"/> Project	<input checked="" type="checkbox"/> Review
	<input type="checkbox"/> Organisational change	<input type="checkbox"/> Other (please state)		
It is a:	New approach:	<input type="checkbox"/>	Revision of an existing approach:	<input type="checkbox"/>
It is driven by:	Legislation:	<input type="checkbox"/>	Local or corporate requirements:	<input checked="" type="checkbox"/>
Description:	<p>Key aims, objectives and activities To assess the impact of proceeding with the renewed decision around the Housing Benefit Local Scheme</p> <p>Statutory drivers This report seeks approval for the ongoing full disregard of war pensions as income in the calculation of Housing Benefit entitlement. Section 134 of the Social Security Administration Act 1992 permits 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 has fully disregarded war pensions income since the introduction of Housing Benefit under the Act in 1992. However, the record of the original resolution is no longer held, therefore the decision requested will allow the Council to meet the requirement of the Department for Work and Pensions that Members have access to a record of the Council's modification to the scheme.</p> <p>Differences from any previous approach To formalise the ongoing full disregard of war pensions as income in the calculation of Housing Benefit entitlement.</p> <p>Key stakeholders and intended beneficiaries (internal and external as appropriate) Key stakeholders: the Council; Service Users</p> <p>Intended outcomes.</p> <ul style="list-style-type: none"> • Approval for the ongoing full disregard of war pensions as income in the calculation of Housing Benefit entitlement. • To ensure there is an updated record of the ongoing approval of the decision to provide full member access and in line with the Department of Work and Pensions audit requirements. 			
Live date:	28 February 2025			
Lifespan:	Until Further Notice (review every 3 years)			
Date of next review:	1 April 2027			

Screening questions	Response			Evidence
	No	Yes	Uncertain	
Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?*	☒	☐	☐	No evidence to suggest that the policy will have an adverse impact on individuals in terms of human rights.
Equality Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?*	☒	☐	☐	No evidence to suggest that the policy will have an adverse impact on individuals in terms of equality.
Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?	☒	☐	☐	No evidence to suggest that the policy will have an adverse impact on relationships between different groups, communities of interest or neighbourhoods within the town.
Next steps: ➡ If the answer to all of the above screening questions is No then the process is completed. ➡ If the answer of any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed.				

Assessment completed by:	Debbie Ingoldsby	Head of Service:	Janette Savage
Date:	12.2.25	Date:	12.2.25

* Consult the Impact Assessment further guidance appendix for details on the issues covered by each of these broad questions prior to completion.