

<b>Report Title:</b>	Housing Benefit War Pension and Armed Forces Compensation Scheme Disregard Policy		
<b>Report to:</b>	Cabinet	<b>Date:</b>	15 <sup>th</sup> July 2026
<b>Report of:</b>	Head of Customer Services & I.C.T.	<b>Cabinet Portfolio</b>	Resources
<b>Cabinet Lead Member</b>	Councillor Walmsley	<b>Wards Affected</b>	All
<b>Key Decision:</b>	<input checked="" type="checkbox"/> Forward Plan	<input checked="" type="checkbox"/> General Exception	<input type="checkbox"/> Special Urgency
<b>Integrated Impact Assessment:</b>	Required:	No	Attached: n/a
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<b>Valley Plan Priorities</b>	<b>Thriving Local Economy:</b> This involves securing new inward investment, creating a sustainable economy, matching local skills with future job opportunities, and supporting town centres as unique destinations.	<input type="checkbox"/>
	<b>High Quality Environment:</b> This includes having a "clean and green" local environment, reducing the borough's carbon footprint, improving waste and recycling rates, and delivering new homes with a good mix of housing tenures.	<input type="checkbox"/>
	<b>Healthy &amp; Proud Communities:</b> This priority focuses on improving the health and physical/mental wellbeing of residents, reducing health inequalities, ensuring access to better leisure facilities and health services, and fostering a sense of pride in the community.	<input type="checkbox"/>
	<b>Effective &amp; Efficient Council:</b> The aim is to provide good quality and responsive services, embrace new technology, be a financially sustainable council with a commercial outlook, and ensure sound governance.	<input checked="" type="checkbox"/>

## 1. PURPOSE OF THE REPORT & EXECUTIVE SUMMARY

- 1.1 To review the arrangements for Housing Benefit made in respect of Section 134 8(a) of the Social Security Administration Act 1992, entitling local authorities to modify any part of the Housing Benefit scheme to provide for the disregarding of prescribed War Disablement Pensions/War Widow's pensions and Armed Forces Compensation Payments.
- 1.2 To provide clarity to reporting accountants on Rossendale Borough Council's approval of the disregard.
- 1.3 In March 2023 Rossendale Borough Council adopted its Armed Forces Covenant and the overarching statement 'We recognise the value Serving Personnel, both Regular and Reservists, Veterans and military families contribute to our business and our country' and this proposal supports the Covenant.
- 1.4 This policy was last reviewed in 2023. There are no fundamental changes to the existing policy other than format and presentation.

## 2. RECOMMENDATIONS

- 2.1 That Cabinet approve the Housing Benefit War Pension and Armed Forces Compensation Disregard Policy as set out in this report.

**2.2 That Cabinet delegate any minor amendments to the policy to the Head of Customer Services and ICT in consultation with the Lead Member.**

### **3. BACKGROUND & REASON FOR THE DECISION**

- 3.1 The Housing Benefit Regulations 2006 make provision for the first £10.00 of income from War Widows (Widowers)/War Disablement Scheme and Armed Forces Compensation Scheme payments to be disregarded in any benefit assessment. The cost of this disregard is fully reimbursed to the Council.
- 3.2 The Social Security Administration Act 1992 gives the Council discretion to disregard any amount it chooses in addition to the statutory provision. This provision is referred to as the 'local scheme'.
- 3.3 Rossendale Borough Council have disregarded 100% of funds received as War Widows (Widowers)/War Disablement Scheme and Armed Forces Compensation Scheme since April 2005. In addition, the local Council Tax Support scheme also contains a full disregard of these incomes and this has been in place since it was introduced in 2013. Council approves the CTS scheme on an annual basis.
- 3.4 From April 2005, the War Pension and War Widowers Pension schemes were closed to applicants who were injured or became a widow / widower after this date and replaced by the Armed Forces Compensation Scheme. Payments from the Armed Forces Compensation Scheme were given the same statutory disregard in means tested benefits, including Housing Benefit.
- 3.5 Given the length of time that the 'local scheme' has operated in Rossendale, it is recommended that Members reconfirm that the prescribed War Disablement Pensions and War Widow's Pensions continue to be fully disregarded in the calculation of Housing Benefit.
- 3.6 Subsidy arrangements mean that where a local amendment to the scheme is in operation, the local authority will only be compensated with 75% of any expenditure incurred up to a maximum of 0.2% of the total subsidy claimed in the relevant year. This means the Council only pays for 25% of the discretionary disregard.
- 3.7 In 2025-26 the full cost to the Council was £1,140 with £3,420 of the total expenditure of £4,560 met through Housing Benefit subsidy. The total number of claimants in receipt of the prescribed incomes have fallen over the past 10 years with only 1 customer in the 2025-26 subsidy year benefitting from the policy.

### **4. RISK**

- 4.1 To not have an approved War Pension and Armed Forces Compensation Scheme Policy is not recommended as there would be no clear guidance on the agreed approach for claimants and to the Reporting Accountancy undertaking the Housing Subsidy review.
- 4.2 Amending the policy to disregard only part of the prescribed incomes would create a lack of consistency between the administration of Housing Benefit and Local Council Tax Support Scheme.

- 4.3 Revoking the policy and making no alteration to the Housing Benefit scheme in respect of these incomes would equally create a lack of consistency between the administration of Housing Benefit and the Local Council Tax Support Scheme.
- 4.4 Either of these changes would also potentially bring financial hardship to those in receipt of Housing Benefit by reducing their entitlement. Although this could bring a financial saving to the Council, it is likely that it will also create a compensating demand on the Crisis and Resilience Fund Housing Payment Scheme, which is already strained and potentially create hardship for a specific group in the community.

## **5. SECTION 151 OFFICER COMMENTS (FINANCE)**

- 5.1 Subsidy arrangements mean that where a local amendment to the scheme is in operation, the local authority will only be compensated with 75% of any expenditure incurred up to a maximum of 0.2% of the total subsidy claimed in the relevant year.
- 5.2 In 2025-26 the full cost to the Council was £1,140 with £3,420 of the total expenditure of £4,560 met through Housing Benefit subsidy. The total number of claimants in receipt of the prescribed incomes have fallen over the past 10 years with only 1 claim in the 2025-26 subsidy year benefitting from the policy.

## **6. MONITORING OFFICER COMMENTS (LEGAL)**

- 6.1 Section 134(8)(a) of the Social Security Administration Act 1992 states that an authority may modify any part of the housing benefit scheme administered by the authority so as to provide for disregarding, in determining a person's income, the whole or part of any war disablement pension or war widow's pension payable to that person
- 6.2 The proposed continuation of the Policy will contribute to the well-being of local people most in need by retaining the level of financial support available.
- 6.3 To not have an approved Policy is not recommended as there would be no clear guidance on the agreed approach for claimants and would be contrary to the recommendations of the Council's auditors.

## **7. INTEGRATED IMPACT ASSESSMENT IMPLICATIONS**

- 7.1 An Integrated Impact Assessment (IIA) initial assessment has been undertaken and it has been identified there are no disproportional impact and a Full IIA is not required.
- 7.2 The policy is expected to have a positive impact on veterans and members of the Armed Forces community, particularly those with service-related disabilities. No adverse impacts on protected groups have been identified.
- 7.3 The policy is expected to have a positive impact on income and poverty by increasing the level of Housing Benefit available to eligible claimants by disregarding military compensation payments from income assessments. This helps to:
- Reduce financial hardship.
  - Improve household income levels.
  - Support vulnerable veterans and their families.
  - Prevent military compensation payments from reducing benefit entitlement.

7.4 The policy is expected to increase financial security which can contribute to improved mental wellbeing, reduced stress, and greater housing stability for claimants

## **8. POLICY/STRATEGY FRAMEWORK IMPLICATIONS**

8.1 There have been no significant changes to the policy. Consultation has been undertaken with the Capita Governance Board, Corporate Management Team and Lead Member.

## **9. LOCAL GOVERNMENT REORGANISATION IMPLICATIONS**

9.1 No significant impact identified. The policy supports continuity of service and legislative compliance during and after Local Government Reorganisation.

9.2 The Social Security Administration Act 1992 requires the Council to formally adopt any modification of the Housing Benefit scheme where the whole or part of any War Pension or Armed Forces Compensation Scheme payment is disregarded.

9.3 This policy sets out the Rossendale Borough Council's commitment to fully disregard 100% these incomes. The policy will be superseded by a combined policy when the new Lancashire authority is created.

## **10. BACKGROUND PAPERS**

10.1 Cabinet report of 19<sup>th</sup> July 2023 and Housing Benefit War Pension and Armed Forces Compensation Scheme Disregard Policy 2023 [Cabinet report 19.07.23 and Policy](#)



ROSSENDALE  
BOROUGH  
COUNCIL



# Housing Benefit War Pension and Armed Forces Compensation Disregard Policy 2026



Thriving Local Economy

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# Housing Benefit War Pension and Armed Forces Compensation Disregard Policy 2026

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## 1. Policy Statement

- 1.1 This policy sets out Rossendale Borough Councils commitment to disregard 100% of the funds received as War Widows (Widowers) / War Disablement and Armed Forces Compensation Scheme in any benefit assessment.

## 2. Introduction

- 2.1 The Housing Benefit Regulations 2006 make provision for the first £10 of income from War Widows (Widowers) / War Disablement Scheme and the Armed Forces Compensation Scheme to be disregarded in any benefit assessment. The cost of this disregard is fully reimbursed to the Council.
- 2.2 The Social Security Administration Act 1992 gives the Council discretion to disregard any amount it chooses in addition to the statutory provision.

## 3. Aims of the Policy

- 3.1 To ensure that members of the Armed Forces who have been disabled during service or the widows, widowers or surviving civil partner of those who died in the service of their country, should not be penalized by having their pensions or payment made in relation to their service, taken into account in the calculation of their Housing Benefit entitlement.
- 3.2 Provide staff with guidance to ensure income paid via these funding streams is treated consistently when assessing entitlement to Housing Benefit.
- 3.3 Ensure income from the schemes is treated consistently when assessing entitlement to Housing Benefit and local Council Tax Support.
- 3.4 To provide clarity to reporting accountants on Rossendale Borough Council's approval of the disregard.

## 4. Policy

- 4.1 In line with Section 134(8) of the Social Security Administration Act 1992, the Council will fully disregard income from War Disablement Scheme, War Widows (Widowers) Pension and Armed Forces Compensation Scheme payments when assessing entitlement to Housing Benefit.

## 5. Policy Review

- 5.1 This Policy will be reviewed every 3 years or as a change in legislation occurs.