



**The Royal British Legion**

**Consultation Response**

**Welsh Government – Review of Council Tax Support**

**5 March 2014**

### **About The Royal British Legion**

1. The Royal British Legion (the Legion) was created as a unifying force for the military charity sector at the end of WWI, and still remains one of the UK's largest membership organisations. We are the largest welfare provider in the Armed Forces charity sector, providing financial, social and emotional support, information, advice, advocacy and comradeship to hundreds of thousands of Service personnel and veterans every year, as well as their dependants. In 2013, we provided services and grants for over 200,000 Service personnel, veterans and dependents – more than ever before. For further information, please visit: [www.britishlegion.org.uk](http://www.britishlegion.org.uk)
2. The Legion is grateful for the opportunity to respond to this consultation which has implications for a significant number of our beneficiaries in Wales.

### **Council Tax Support Schemes**

3. Any future Council Tax Support scheme in Wales should recognise the unique nature of certain payments which members of the Armed Forces community may receive, as a result of their Service.
4. Under the previous Council Tax Benefit scheme, Local Authorities were required to disregard £10 of a War Disablement Pension or a War Widows' Pension from a claimant's income when calculating their entitlement to support. However Local Authorities also had the discretion to disregard these payments in full, which they did and for which they should be commended. Using the average Band D council tax bill in Wales this is worth up to £23.00 per week to an injured veteran<sup>1</sup>.
5. According to the latest published data there are 7,255 people receiving a War Disablement Pension in Wales and 1,280 with a War Widows / Widowers Pension<sup>2</sup>. There are also 45 people in receipt of a Guaranteed Income Payment and 25 in receipt of a Survivors Guarantee Income Payment, of whom 15 were spouses and 10 were children<sup>3</sup>.

---

<sup>1</sup> <http://wales.gov.uk/statistics-and-research/council-tax-levels/?lang=en>

<sup>2</sup> War Pension Scheme Annual Statistics, 6/6/13, Defence Statistics, MOD

<sup>3</sup> UK Armed Forces Compensation Scheme Annual Statistics, 5/12/13, Defence Statistics, MOD.

6. Prior to the new Council Tax Support scheme being implemented in Wales from April 1<sup>st</sup> 2013 (following the abolition of Council Tax benefit), the Legion wrote to all local authorities in December 2012 calling for them to use their discretionary powers to maintain a full disregard and all local authorities did so during 2013/14, to our knowledge.
7. During December 2013, and in order to ensure this position was maintained for the 2014/15 scheme, the Legion again wrote to all local authorities requesting the full disregard be maintained and to date, 10 of the 22 local authorities have responded to confirm that will be the case. We await updates from the other 12 but are hopeful they will maintain their position, given all local authorities have signed up to the Community Covenant and should be using this stance to demonstrate their commitment to the Armed Forces Community.
8. The Legion commends the Welsh government for taking positive action in other areas of benefits and taxation, such as providing a 50% council tax discount on second homes owned by Armed Forces personnel who live in accommodation provided by the MoD. Also the introduction of a disregard of Armed Forces Compensation Scheme – Guaranteed Income Payments (GIP) which must be applied within the financial assessment process of Social Care charges, is to be welcomed though the Legion believes a full disregard of War Pensions should also apply under this scheme and is in communication with Welsh Government separately regarding this issue.

Points relating to specific headings from the consultation document:

**Protecting groups from the impact of reducing entitlement**

9. The Legion believes that the Welsh Government should maintain a system of Council Tax Support and that this system should fully disregard any Service-related payments (War Disablement Pensions, Armed Forces Compensation Payments) within the means test.
10. War Pensions and Armed Forces Compensations Scheme (AFCS) are not income support payments but are paid as compensation for injury, illness or loss as a result of service in the Armed Forces and these should not be used to penalise those who have given Service to their country.
11. The UK Government has signalled its understanding of this by disregarding all military compensation payments fully under the new Universal Credit system. These payments will be ignored when means testing for the future equivalent of Job Seekers Allowances, Employment and Support Allowance, Housing Benefit, Working Tax Credits, Child Tax Credits and Income Support. It would be inconsistent if Council Tax Support where the only mainstream welfare benefit not to fully disregard.
12. As stated above, local authorities are using their discretionary power to disregard the full amount under Council Tax Support and the Legion believes that every local

authority in Wales currently does so, for which they are to be commended. The Legion has campaigned for many years to reach and maintain this position. To illustrate the impact of the loss of a full disregard we have provided the following example using Newport's online benefits calculator. A single male veteran, who is a home-owner, aged 70 with a weekly income consisting of a state pension and a £50.00 per week occupational pension would lose £15.30 per week as a result of his 60% War Disablement Pension. A reduction to the current statutory 10% disregard would result in him losing £13.31 per week.

13. By continuing to provide a full disregard, local authorities in Wales can demonstrate their continued commitment to the Armed Forces community and complement the on-going work across Wales as part of the Armed Forces Community Covenant scheme.
14. When considering the impact of any change to Council Tax Support entitlement on injured military personnel and war widow's, the interaction with Pension Credit must be considered. Although, until Universal Credit is introduced, only a proportion of War Disablement Pensions are disregarded by Pension Credit it is still possible for veterans with up to a 40% award to receive support. Receipt of Pension Credit automatically passports an individual to entitlement to Council Tax Support. Therefore any removal of Pension Credit 'passporting' may inadvertently impact upon some War Pensioners should a full disregard not be provided.

### **National and Local approaches**

15. It is the Legion's belief that regardless of where people live in Wales, they should expect a consistent approach when it comes to how their compensation payments are assessed when means testing for council tax support. Whilst we acknowledge the importance of local flexibility in terms of policymaking, we remain concerned there may be a need to reduce entitlement in some areas and some local authorities may choose to remove or reduce the full disregard they currently apply.
16. The Legion would therefore like to see a full statutory disregard of War Pensions, WWP and AFCS when means testing for Council Tax Support. This will avoid any possibility of a 'postcode lottery' developing for armed forces veterans living in Wales when it comes to how local authorities treat Armed Forces-related payments when means testing.

### **Exemptions**

17. The Legion believes that the current Council Tax exemptions relating to Armed Forces personnel should continue.

### **Welfare Reform**

18. The UK Government has agreed to disregard all military compensation payments in full under the new Universal Credit system. It would be inconsistent if Council Tax Support were the only mainstream welfare benefit not to fully disregard.

For further information, please contact:

Dan Martin, Senior Policy Adviser - [dmartin@britishlegion.org.uk](mailto:dmartin@britishlegion.org.uk)

Peter Evans, Public Affairs Manager Wales - [pevans@britishlegion.org.uk](mailto:pevans@britishlegion.org.uk)