

Subject:	Council Tax Energy Rebate Discretionary Scheme	Status:	For Publication
Report to:	Cabinet	Date:	7 th September 2022
Report of:	Head of Customer Services & ICT	Portfolio Holder:	Resources
Key Decision:	<input checked="" type="checkbox"/> Forward Plan <input type="checkbox"/>	General Exception	<input checked="" type="checkbox"/> Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required: No	Attached:	No
Biodiversity Impact Assessment:	Required: No	Attached:	No
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1. RECOMMENDATIONS

- 1.1 That Cabinet approve the Council Tax Energy Rebate Discretionary Scheme.
- 1.2 That any minor changes in amounts payable under the scheme (for example, where caused by changes in benefit caseload) be delegated to the Chief Finance Officer.
- 1.3 That determination of the methods of payment to customers be delegated to the Chief Finance Officer.

2. EXECUTIVE SUMMARY

- As part of its package of support known to help households with rising energy bills the Government announced a £150 rebate for households in England whose properties are in council tax bands A-D.
- Rossendale Borough Council has now issued more than 95% of the grants to those entitled and is continuing to mop the remaining payments. The closing date for this scheme is 30th September 2022
- In addition to the main scheme, Government also announced a discretionary fund which is aimed at those customers who do not automatically qualify, but would benefit from support with energy costs; or provide additional targeted "top-up" support to the most vulnerable households in band A to D that have received a Council Tax Energy Rebate.
- Rossendale has been allocated a sum of £144,450 for discretionary payments.
- It is proposed that payment of discretionary sums is targeted at those customers in receipt of council tax support; these customer have already been means tested and are likely to be vulnerable to increases in energy costs.
- The discretionary scheme closes 30th November 2022.

3. BACKGROUND

- 3.1 Government guidance in respect of the discretionary payments states:

'Councils can determine locally how best to make use of this funding to support those suffering financial hardship as a result of the rising cost of living. This could include households living in property valued in bands E to H that are on income related benefits or those where the energy bills payers are not liable for council tax. Where councils consider it the best means of supporting those in financial difficulty, they can use the discretionary fund to offer carefully targeted 'top-up' payments to the most vulnerable households in bands A to D (for example, those on means tested benefits), or to offer discretionary support exceeding £150 per household.'

- 3.2 The discretionary scheme will close on 30th November. The deadline has been set by Government and any unspent funding must be returned to Government at that date. Whilst the scheme can run until 30th November, funding is already in place and the aim will be distribute it as soon as is practicably possible.
- 3.3 The energy rebate scheme as a whole has required the purchase, installation and testing of new software patches to the NEC revenues and benefits system. There was no means of making the volume payments required under the energy rebate scheme when the policy was first announced. If more complex criteria are adopted, additional time will be required in order to develop and test new system solutions.
- 3.4 The most efficient way to distribute the funding will be to base payments on data and methodology which is now in place, rather than to develop & test more new application systems.
- 3.5 Rossendale has been allocated a sum of £144,450 for discretionary payments. Payments of £150 are being paid to all customers in bands A-D who were resident in Rossendale on 1st April 2022. The discretionary funding does not allow for similar support to customers in council tax bands E-H.

4. DETAILS

- 4.1 It is consistent with the aims of the scheme and Government guidance to focus support on those customers who are in receipt of income related benefits. Those customers have already undergone means testing in order to verify entitlement to benefits and have therefore been identified as having limited income.
- 4.2 To focus on this group of customers means that the discretionary scheme can be rolled out without the development of a new application process and will not require detailed consideration of each individual claim.
- 4.3 Caseload for Council Tax support is currently 5,132 (5,052 band A-D, 80 band E-H). This figure varies on a day-to-day basis as new claims are made and existing ones cease. The overall figure is broadly consistent and has been falling steadily in recent months. There were 48 less live claims in August as compared with April 22.
- 4.4 It is proposed that £150 is paid to each of the 80 claimants in bands E-H.
- 4.5 It is further proposed that a top-up payment of £24 is paid to each council tax support claimant in bands A-D; this will be in addition to the £150 already received by these claimants through the mandatory scheme.
- 4.6 £9,400 of the discretionary fund has already been allocated to customers as a top-up payment to the Household Support Fund.
- 4.7 Based on the most recent figures allocation of the discretionary fund in this way would leave a balance of £1,802 unspent. This sum would leave a small contingency to cover any variations in the caseload between now and the funds being distributed and also allow for payments to be made to customers who have contacted the energy rebate team and are able to demonstrate exceptional circumstances. It is proposed that any sums remaining following that process be allocated to the Household Support Fund 3, which is due to be announced imminently.
- 4.8 Payments for the mandatory scheme have been made to customers by:

- Crediting bank accounts where direct debit payment details are held
- Issuing vouchers for collection at the post office
- Crediting Council Tax accounts

4.9 Due to the bureaucracy and cost involved in making direct payments or issuing vouchers, for the discretionary scheme it is proposed that the majority of cases would be paid by crediting council tax accounts. The intention of the policy is to distribute payments as quickly as is possible using the most appropriate method available.

5. RISK

5.1 Risk considerations are included in the main body of the report.

6. FINANCE

6.1 The Council has been allocated £4,226,400 on account the Council Tax Rebate (statutory scheme). Any over-funding of grant will be recovered by Government and any under-funding will be reimbursed following reconciliation at the end of the scheme.

6.2 The Council has also received an allocation of £144,450 from Government for the discretionary element of the Energy Rebate scheme. Initial cost projections suggest the budget will be spent as set out below:-

	Number	Amount £	Total Cost £
Benefit claimants Band E - H	80	150	12,000
Benefit claimants Band A - D	5,052	24	121,248
Vired to Household Support Fund			9,400
Discretionary Scheme grant			144,450
Contingency			1,802

6.3 Any monies unspent at the end of the discretionary scheme (30th November 2022) will be reclaimed by Government.

7. LEGAL

7.1 The Council is required to follow the “Support for energy bills – the council tax rebate 2022-23: billing authority guidance (updated 16th March 2022)” issued by the Department for Levelling Up, Housing & Communities when providing rebate under the Council Tax Energy Rebate Scheme. A link to the Guidance can be found under the background papers within this report.

7.2 There is no specific appeal process in relation to this scheme and any disputes will be administered through the Council’s Complaints procedure.

8. POLICY AND EQUALITIES IMPLICATIONS

8.1 In line with Government guidance, the Council’s Discretionary Energy Rebate scheme will provide support to help reduce fuel poverty, in the form of an additional energy rebate to those council tax residents disproportionately affected on lower incomes, who tend to spend a higher proportion of their income on energy bills.

8.2 The proposal will have a neutral climate change or environmental impact.

9. REASON FOR DECISION

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9.1 The proposed scheme targets lower income customers for assistance in line with Government guidance for the scheme. Customers on means tested benefits have already been subject to an assessment process; the risk of fraudulent or otherwise inaccurate claims is therefore reduced. This approach means that no new application from will be required and so administration costs are reduced and the scheme will be able to be delivered quickly.

Background Papers	
Government Guidance of the operation of the scheme	Support for energy bills - the council tax rebate 2022-23: billing authority guidance - GOV.UK (www.gov.uk)