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Report of: Ryan Keyworth

Report to: Executive Member for Finance, Resources and Governance

Date of Decision: 17 May 2022

Subject: Council Tax Energy Rebate and Discretionary Scheme

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
- Expenditure and/or savings over £500,000	<input type="checkbox"/>	
- Affects 2 or more Wards	<input checked="" type="checkbox"/>	
Which Cabinet Member Portfolio does this relate to? Finance and Resources		
Which Scrutiny and Policy Development Committee does this relate to? Overview and Scrutiny Management Committee		
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If YES, what EIA reference number has it been given? 1181		
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-		
<i>"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."</i>		

Purpose of Report:

To seek approval for the criteria for the discretionary element of the Council Tax Energy Rebate as set out in this report.

In order to make the administration of the discretionary scheme as simple as possible, it is recommended that we use existing data held by the Revenues and Benefits Service to identify households who we consider to be vulnerable but have not received a payment from the core scheme, and to make automatic payments to these households.

Recommendations:

It is recommended that approval is given to set the following criteria for the discretionary element of the Council Tax Energy Rebate:

- Automatic payments of £150 to vulnerable (as detailed below) households in bands E to H;
- Automatic payments to households who receive Housing Benefit and aren't liable for Council Tax;
- Payments to households who become liable for Council Tax in band A to D properties for the first time, after 1 April 2022;
- An application process to enable households who aren't liable for Council Tax, but have energy costs;
- Any remaining funding be allocated to working age households who are in receipt of Council Tax Support and / or housing benefit; and
- A small amount of funding to be used to top up the awards made to the pensioner cohort of the Household Support Fund to allow the payments made to this group to be £100.

Background Papers:

(Insert details of any background papers used in the compilation of the report.)

Lead Officer to complete:-	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: <i>Tim Hardie</i>
	Legal: <i>Richard Marik</i>
Equalities: <i>Bev Law</i>	
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	EMT member who approved submission: <i>Ryan Keyworth</i>
3	Cabinet Member consulted: <i>Cate Macdonald</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.

Lead Officer Name: <i>John Squire</i>	Job Title: <i>Policy & Support Manager</i>
Date: <i>17 April 2022</i>	

1. PROPOSAL

- 1.1 On 3rd February 2022 the Chancellor announced a package of measures intended to help protect the public from the impact of rising energy cost, with millions of households receiving up to £350 to help with the cost of living following a rise in the energy price cap.
- 1.2 All domestic electricity customers will get £200 off their energy bills from October, and households in Council Tax Bands A to D will receive £150 'rebate', as part of the Council Tax Energy Rebate.
- 1.3 The Government has set the eligibility criteria for the core scheme, and require us to make payments of £150 to a liable Council Tax payer where they occupy a property which meets all of the following criteria on 1 April 2022:
- The property is valued in Council Tax bands A to D. This includes property that is valued in band E, but has an alternative valuation band of band D, as a result of the disabled band reduction scheme;
 - It is someone's sole or main residence;
 - It is a chargeable dwelling, or in exemption classes N, S, U or W*

**Exemptions classes detailed above:*

N – Properties wholly occupied by students

S – Properties where all occupants are under the age of 18

U – Properties where all occupants are severely mentally impaired

W – Properties which form part of an annex to a main dwelling (eg, granny annexes)

- 1.4 In addition to the £150 'core' scheme, there is also a discretionary scheme, and the Council has been allocated a grant of £1.2m to make awards from the Discretionary Fund.
- 1.5 In order to make the administration of the discretionary scheme as simple as possible, it is recommended that we use existing data held by the Revenues and Benefits Service to identify households who we consider to be vulnerable but have not received a payment from the core scheme, and to make automatic payments to these households, using the payment methods detailed above.

1. Automated Payments

- 1.6 To achieve this, we intend to make automatic payments of £150 to households who are liable for Council Tax and their home is in Council Tax bands E to H and who:
- are in receipt of Council Tax Support

- are in receipt of Housing Benefit only
- have a disabled band reduction
- have a carer disregard in place
- have a Severely Mentally Impaired exemption/discount on the account

2. New Liabilities

- 1.7 We also intend to make payments to households who become liable for Council Tax in band A to D properties for the first time, after 1 April 2022. To meet the payment deadlines, and to also ensure we are able to provide top-ups to other vulnerable households, it is initially proposed that we only make payments from the Discretionary Scheme where the new Council Tax liability is set-up between 2 April 2022 and 30 June 2022. However, we may be able to extend this period dependent upon demand.

3. Application process – No Council Tax Liability

- 1.8 It is recommended that we have an application process to enable households who aren't liable for Council Tax but have energy costs. Eligible households will receive a £150 payment in line with the core scheme. The eligibility for this element of the discretionary scheme is that:

- the household is not liable for Council Tax, but;
- is liable for energy costs

- 1.9 Due to the payment deadline set by Government it is recommended that we have an application window of 3 months during which claims can be made.

4. Mop-up Payments

- 1.10 It is recommended as a final backstop option to ensure as many households can benefit from the Discretionary Fund as possible, that any remaining funding be allocated to working age households who are in receipt of Council Tax Support and/or housing benefit.

- 1.11 In exceptional circumstances we may also consider making awards from this scheme to households who are experiencing fuel poverty who are not covered by the points above.

5. Top-up to Household Support Fund

- 1.12 It is also recommended that a small amount of funding from the Discretionary Fund be used to top up the awards made to the pensioner cohort of the Household Support Fund to allow the payments made to this group to be £100. It is estimated that this will mean we would need

to transfer £3,500 from the Discretionary Council Tax Energy Rebate Discretionary Fund to the Household Support Fund.

6. Potential Changes

- 1.13 All changes to the criteria of the discretionary scheme will be made in consultation with, and approval by, the Director of Finance and Commercial Services.

2. HOW DOES THIS DECISION CONTRIBUTE ?

- 2.1 The Council is committed to preventing and tackling poverty. Fuel poverty is acknowledged as a major cause of financial hardship for low-income households. Providing payments to households either from the core scheme, or from the discretionary scheme, helps households meet their increased energy bills at a time when energy bills and associated living costs are increasing. Therefore, any financial assistance we can provide, helps households at these difficult times.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 There is no requirement for a public consultation.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

- 4.1.1 See EIA 1181 for details of how we have addressed the impacts associated with the delivery of the Council Tax Energy Rebates scheme.

4.2 Financial and Commercial Implications

Council Tax Rebate Scheme Grant (£35.052m)

- 4.2.1 Key features (not exclusive) of the grant terms are summarised below. The Grant Manager will need to read, understand and comply with all of

the grant terms and conditions and ensure that there are no ongoing unfunded costs once the project has ended

General

4.2.2 Funding allocations are summarised in the table below:

<u>CTax Rebate Scheme</u>	<u>Discretionary Fund</u>	<u>Total</u>
£33,848,100	£1,204,050	35,052,150

- Grant to provide support to SCC in administering: 1. Council Tax Rebate and 2. Discretionary Funds for households re: rising energy costs.
- Funding paid in single instalment in March 2022.
- SCC should retain the appropriate records for the grant (see details)
- Comply with DLUHC /DELTA monthly monitoring requirements

Council Tax Rebate Fund (£33.848m)

- To provide a £150 one-off payment to liable council taxpayers which meet all of the required criteria (see details)
- All payments to be made by 30 September 2022.
- Any over-funding of grant to be clawed back and any under-funding will be paid following reconciliation.

Discretionary Fund (£1.204m)

- To be paid as one-off grant to eligible households
- For SCC to support households in need but ineligible for the Council Tax Rebate, known as the Discretionary Fund.
- Unspent funding by 30/11/22 to be repaid/ no additional funding for overspends

New Burdens Funding (£289k)

4.2.3 In addition to the funding for both the Council Tax Rebate Scheme and Discretionary Fund, DLUHC has also allocated unconditional New Burdens grant funding (£289k) to support the costs of administration / implementation of the scheme. Costs will include software solutions for data collection, administrative time, voucher production costs, Post Office related costs. Budgets will be developed and produced as the project progresses

4.3 Legal Implications

4.3.1 The Localism Act 2011 provides local authorities with a “general power of competence” which enables them to do anything that an individual can do as long as the proposed action is not specifically prohibited.

4.3.2 The Department for Levelling Up, Housing and Communities has issued the Support for energy bills - the council tax rebate 2022-23: billing authority guidance. The guidance provides that funding paid to billing authorities for the Discretionary Fund is to be passed on directly as one-off grants to households that the billing authority chooses to support, having considered the guidance at paragraphs 36 to 40.

4.3.3 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. Discretionary support should not be offered to occupants of property in exemption class O, where the Ministry of Defence will provide cost of living support.

4.3.4 Once determined, councils should publish their agreed guidelines setting out the eligibility criteria for their Discretionary Fund.

4.3.5 Councils should undertake pre-payment checks similar to those described at paragraphs 23 to 29 of the guidance before providing support from the Discretionary Fund.

4.3.6 Allocations from the discretionary fund should be spent by 30 November 2022. Any remaining funding will be required to be repaid to government.

4.3.7 There are no subsidy control implications.

4.4 Other Implications

4.4.1 **Other Implications**

Human Resources Implications

4.4.2 None

Environmental Implications

4.4.3 None

Contractual Implications

4.4.3 None

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 The Council could choose to not accept this funding, but to do so at a time when households are experiencing significant increases in their energy costs, would not support the Council's objective of tackling and preventing poverty.

6. REASONS FOR RECOMMENDATIONS

6.1 By agreeing the recommendations detailed above, the Council will be able to help households with the increase in energy bills.