

CABINET

**COUNCILLOR PAUL TAYLOR
CORPORATE SERVICES PORTFOLIO HOLDER**

26 APRIL 2022

KEY DECISION: NO

REPORT NO. FIN2219

**SUPPORT FOR ENERGY BILLS –
THE COUNCIL TAX REBATE 2022/23**

SUMMARY:

This report informs Members of the Council Tax Rebate 2022/23 as part of the Governments announced package of support known as the Energy Bills Rebate.

RECOMMENDATIONS:

Cabinet are requested to:

- a) To endorse and note the Council Tax Rebate scheme as set out in the report
- b) Delegate authority to the Executive Director and Deputy Chief Executive and the Executive Head of Finance, in consultation with the Corporate Services Portfolio Holder, to develop a discretionary Council Tax Rebate scheme and associated policy and to make the necessary arrangements to assess eligibility and determine award of funding to eligible households.
- c) Delegate authority to the Executive Director and Deputy Chief Executive and the Executive Head of Finance to make any further technical amendments to the scheme where further government advice is issued to and ensure that the Corporate Services Portfolio Holder is kept informed of any such amendments required.

1. BACKGROUND

1.1 On 3 February 2022, the Government announced a package of support known as the Energy Bills Rebate to help households with rising energy bills, worth £9.1 billion in 2022/2023. This includes:

- £200 discount on their energy bill this autumn for domestic electricity customers in Great Britain. This will be paid back automatically over the next 5 years.
- A £150 non-repayable rebate for households in England in council tax bands A-D, known as the Council Tax Rebate.
- £144 million in discretionary funding for billing authorities to support households, who are in need but are not eligible for the Council Tax Rebate, known as the Discretionary Fund.

- 1.2 On 23 February 2022, the Government released guidance on the Council Tax Rebate 2022-2023 intended to support billing authorities such as Rushmoor, in administering the core scheme of Council Tax Rebate for households in Band A-D. The guidance also sets out the scope of the Discretionary fund with suggested criteria which local authorities should have regard to when determining the award of support to other energy bill payers who are not eligible under the core scheme.

2. Funding Received

- 2.1 A total of £5,211,750 has been allocated to Rushmoor Borough Council. The sum consists of the following:
- £5,077,200 for the core scheme of Council Tax Rebate 2022-2023. This is equivalent to paying £150 to 33,848 households, which is required to be distributed to eligible households by 30 September 2022.
 - £134,550 for the discretionary fund which is required to be distributed by 30 November 2022.
- 2.2 The Council will be required to comply with regular reporting requirements to the Department of Levelling Up, Housing and Communities (DLUHC) on distribution of funds through the scheme. There will be a reconciliation exercise in due course to confirm amounts awarded from the funding for both the Council Tax Rebate Scheme and the Discretionary Fund.

3. The Council Tax Rebate – Eligibility

- 3.1 The Government expects billing authorities to provide a £150 one-off payment to a liable council taxpayer (or person who would otherwise be liable where the property is exempt) for every household that occupies a property which meets all the criteria on 1 April 2022:
- It is valued in the valuation list on 1 April 2022 in council tax bands A – D. This includes property that is valued in Band E but has an alternative valuation band of band D because of a disabled band reduction scheme.
 - It is someone's sole or main residence.
 - It is a chargeable dwelling, or in defined exemption categories.
 - 'Class N' dwellings occupied by students or college leavers or by spouses or dependents of students.
 - 'Class S' dwellings occupied only by persons aged under 18.
 - 'Class U' dwellings occupied by the severely mentally impaired.
 - 'Class W' occupied annexes.
 - The person who is liable to pay the Council Tax (or would be where the property is not exempt) is not a local authority, a corporate body or other body such as a housing association, the government or governmental body.
- 3.2 A property meets all the criteria but has a nil council tax liability because of Council Tax Support, will be eligible.

- 3.3 A property that has no permanent resident and is someone's second home will not be eligible.
- 3.4 An unoccupied property (for the purposes of calculating council tax) will not be eligible.

4. The Discretionary Fund

- 4.1 The guidance advises that councils can determine locally how best to make use of this funding to provide payments to other households who are energy bill payers, but not covered by the Council Tax Rebate. This could include households living in property valued bands E to H that are on income related benefits such as Council Tax Support (currently 71 claimants in Band E-H) or those where the energy bills payers are not liable for council tax like private tenants with private landlords and supported housing for vulnerable adults.
- 4.2 Given the speed which the Council is required to act, delegated authority is sought to be given to the Executive Director and Deputy Chief Executive to develop a Discretionary Fund Scheme and associated policy, and to make the necessary arrangements to assess eligibility and determine awards of funding to those eligible.

5. Council Tax Billing, communication, and payments

- 5.1 The Council Tax (Demand Notices and Reduction Schemes) (England) (Amendment) Regulations 2022 came into force on 12 February 2022. The regulations required the following explanatory sentence to be included in the council tax bills issued to households in respect of 1 April 2022: "The Government is providing a £150 one-off Energy Bills Rebate for most households in council tax bands A – D". The government also provided an information leaflet which was sent with the bills.
- 5.2 The Revenues and Benefits service are working closely with Customer Services, the Communications Team, and the IT team to ensure that households are provided with clear and timely information about the Council Tax Rebate scheme and the Discretionary Fund.
- 5.3 Where the Council holds live direct debit instructions for a liable Council Taxpayer of an eligible household, the guidance states that an automatic payment should be made as early as possible in the 2022-23 financial year, provided that there is assurance that the household is eligible and the band details have been verified. Where multiple residents of an eligible household are jointly and severally liable for Council Tax, and a live direct debt instruction exists for that household, then one full £150 payment will be made to that direct debit account. At the time of preparing this report, bank details were held for 24,506 council taxpayers out of 31,799, in Bands A – D in the Borough. There has been publicity to encourage Direct Debit take up since late February.
- 5.4 Where the Council doesn't hold live direct debit instructions for an eligible

household, all reasonable efforts to contact the household will be made to make them aware of the scheme and invite them to make a claim. The service is currently determining an appropriate claims method, considering the software solutions available, but will include an option for those residents who are digitally excluded, for example assisted applications over the phone. As part of the claims process, Councils can choose whether to offer £150 credit to an eligible household's Council Tax account as a payment option.

- 5.5 The Council is required to undertake pre-payment checks via Spotlight, the Government's due diligence risk proofing tool, prior to any payment, which is not awarded to a live direct debit holder.

6. LEGAL IMPLICATIONS

- 6.1 There are no specific legal implications resulting from this report.

7. FINANCIAL IMPLICATIONS

- 7.1 Payments of funds allocated by Government to the Council for the Council Tax Energy Rebate will be reconciled against spend based on the published eligibility criteria.
- 7.2 Any overfunding of grant to the billing authority will be paid back to Government.
- 7.3 Payment of funds allocated by Government for the Discretionary Fund will be reconciled against spend as for the main scheme. Any overfunding must be paid back, and the Government will not provide any additional funding which exceeds the allocation.

8. CONCLUSIONS

- 8.1 Cabinet are asked to consider the issues raised in this report and to consider the recommendation that authority be delegated as described.

BACKGROUND DOCUMENTS:

The following background documents were used:

- Department of Leveling Up, Housing and Communities Guidance
- Support for Energy Bills – the Council Tax Rebate 2022-23: billing authority guidance
- Draft Council Tax Rebate Discretionary Scheme April 2022

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