

REPORT TO: Executive Board

DATE: 14 April 2022

REPORTING OFFICER: Strategic Director - Economy, Community & Resources

PORTFOLIO: Corporate Services

SUBJECT: Energy Bills Rebate Scheme

WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

- 1.1 To provide details of the proposed implementation of the Government's Energy Bills Rebate Scheme.
- 1.2 To seek approval for proposed eligibility criteria to be applied for awards under the discretionary part of the Energy Bills Rebate Scheme.

2.0 RECOMMENDED: That

- (i) **The proposals for implementation of the Energy Bills Rebate Scheme set out in the report, be approved; and**
- (ii) **The proposed eligibility criteria for awards under the discretionary part of the Scheme as set out in section 5 of the report, be approved**

3.0 SUPPORTING INFORMATION

- 3.1 On 03 February 2022 Government announced a package of support known as the Energy Bills Rebate Scheme to help households with rising energy bills. This included:
 - A £150 non-repayable grant payment for households in council tax bands A to D, known as the Council Tax Rebate Grant.
 - £144 million of discretionary funding for billing authorities to support households who are in need but are not eligible for the Council Tax Rebate Grant, known as the Discretionary Fund.

4.0 COUNCIL TAX REBATE GRANT

- 4.1 To provide some immediate relief for rising energy costs, while targeting those most likely to require support, the Government requires council tax billing authorities to provide a £150 one-off grant payment to liable council taxpayers for every household that occupies a property which meets all of the following criteria on 01 April 2022.

- (i) The property is valued in council tax bands A to D. This includes properties which are valued in band E, but have an alternative valuation band of band D as a result of the disabled band reduction scheme;
 - (ii) The property is someone's sole or main residence;
 - (iii) The property is a chargeable dwelling; and
 - (iv) The person who is liable to pay the council tax (or would be were the property not exempt) is not a local authority, a corporate body or other body such as a housing association, the Government or a governmental body.
- 4.2 This list of criteria provided by Government is not exhaustive and councils can also use their judgement in consideration of the aims of the Scheme.

Payment Process

- 4.3 Payments will be provided directly from the Council to eligible households. Only one £150 grant payment will be made under the core Council Tax Rebate per household, regardless of the number of occupants or liable council taxpayers.
- 4.4 Where the Council holds live direct debit instructions for a liable council taxpayer of an eligible household, a payment of £150 will be made once the first 2022/23 council tax installment payment has been received. The Council will only make payments to the council tax liable party and therefore checks will be made in advance of payment, that the liable party name matches that on the bank account.
- 4.5 Where the Council does not hold live direct debit instructions for an eligible household, the Council Tax Team will contact each household to make them aware of the Scheme. There are approximately 20,000 council tax accounts for which the Council does not hold direct debit instructions. The Council will offer the eligible household a choice of two options:
- (i) To provide bank account details in order for a payment of £150 to be made. If no response is received by 30th June 2022 option 2 below will automatically apply.
 - (ii) To receive the payment by way of a £150 credit to the eligible household's council tax account.
- 4.6 It is not proposed to provide any other form of payment other than the two options at paragraph 4.5. This will help to reduce the significant administrative burden for the Council.

4.7 The Council is required by Government to undertake pre-payment checks prior to payment of any grant which is not awarded to a live direct debit holder. This will allow the Council to provide assurance that the person who is applying is entitled to payment and that payment details provided belong to an entitled person and relate to the relevant address

5.0 DISCRETIONARY SCHEME

5.1 In addition to the £150 Council Tax Rebate Grants, the Government has also provided councils with a Discretionary Fund to assist households suffering financial hardship as a result of rising energy costs.

5.2 The Government guidance states that councils can decide how best to use their discretionary fund, but does make some suggestions as to how the fund may be used as follows:

- (i) To assist households living in properties with a Council Tax band of E to H and who are on an income related benefit, or those where energy bill payers are not liable for Council Tax.
- (ii) To offer carefully targeted 'top-up' payments to the most vulnerable households in bands A – D (for example, those on means tested benefits).
- (iii) To offer support exceeding £150 per household under their discretionary scheme.

5.3 Unlike the automatic £150 Council Tax Rebate Grants, payments from the Discretionary Fund do not have to be provided in relation to the position on 1st April 2022, but all awards must be paid by 30th November 2022.

5.4 Halton has been allocated a Discretionary Fund of £348,000.

5.5 The following table provides suggested eligibility criteria and award amounts to be made from the Discretionary Fund.

No.	Eligibility Criteria
1.	<p>Council tax payers at 1st April 2022 in bands E to H who are currently receiving council tax reduction and/or housing benefit. Proposed Award £150.</p> <p>Note – There are currently 135 council tax payers receiving council tax reduction / housing benefit in bands E to H. Estimated Cost: 135 x £150 = £20,250</p>

2.	<p>Council Tax payers who become liable after 1st April 2022 in bands A to D and have not previously been awarded the energy rebate.</p> <p>These awards would be applicable to those people who become liable for council tax during the period 2nd April 2022 – 30th June 2022 (whilst funding is available). Proposed Award £150.</p>
3.	<p>Council Tax payers who become liable after 1st April 2022 in bands E to H and are receiving council tax reduction / housing benefit, and have not previously been awarded the energy rebate.</p> <p>These awards would be applicable to those people who become liable for council tax during the period 2nd April 2022 – 30th June 2022 (whilst funding is available). Proposed Award £150.</p>
4.	<p>A 'top-up' payment to council tax payers in bands A – D who are receiving council tax reduction.</p> <p>As at 17th March 2022 there were 11,700 council tax payers in bands A to D in receipt of council tax reduction. Proposed Award £20.</p> <p>Estimated Cost: 11,700 x £20 = £234,000</p>
5.	<p>Cases where a person is directly responsible for energy costs but not liable for council tax. For example people living in houses of multiple occupation may fall into this category. Proposed Award £150.</p>
6.	<p>Consideration for a discretionary award be given in exceptional circumstances to cases where a person who is a council tax payer/energy bill payer, and is not eligible for the automatic £150 energy rebate or the discretionary £150 award for being in council tax bands E to H (and being in receipt of Council Tax Reduction).</p> <p>An example might be a person in a council tax band F property who is not on a means tested benefit, but can clearly demonstrate exceptional financial difficulty directly caused by recent increases in energy costs.</p> <p>Applications will be considered on a case by case basis and will be subject to the limited funding available. If appropriate, they may instead be addressed via the Council's Discretionary Support Scheme.</p>

5.6 Government guidance states that all awards from the discretionary fund must be paid by 30th November 2022.

- 5.7 The above eligibility criteria are based on the Government's guidance issued to date, and are intended to target council tax payers on a means tested benefit, namely council tax reduction for eligibility criteria 1 to 4.
- 5.8 The eligibility criteria items 1 and 4 would have an estimated cost of £254,250. This would leave £93,750 available to fund eligibility criteria numbers 2, 3, 5 and 6 above.

6.0 RESOURCES, FUNDING AND MONITORING

- 6.1 Government have provided the Council with funding allocations of £7.825m for the £150 council tax rebate grants and £0.348m for the discretionary scheme. Funding allocations will be paid to the Council in late March ahead of making the first £150 grant payments.
- 6.2 The funding allocation for the discretionary scheme is a fixed amount, discretionary award payments above £0.348m will be at a cost to the Council. However, the Council will be fully funded for all £150 grant payments made.
- 6.3 Whilst the Council will look to automate as many parts of the process as possible it is envisaged that administration of the scheme will be heavily resource intensive. The Council Tax Team will require additional support to help manage the scheme in contacting and administering responses for the 20,000 non direct debit payers. Without sufficient support there may be delays to the grant payment being made, criticism of the Council and also an impact upon day to day collection of council tax.
- 6.4 It is likely that the Scheme will also result in additional calls to the Contact Centre and visits to Halton Direct Link.
- 6.5 Government recognise that the implementation of this policy will place an additional burden upon councils. Therefore, in accordance with the New Burdens policy Government will conduct an assessment of the expected reasonable additional costs associated with the implementation of the policy and will reimburse the Council for costs incurred.
- 6.6 The Council will be required to maintain a record of all expenditure under the Council Tax Rebate and Discretionary Fund. The Department for Levelling Up, Housing and Communities will undertake a monthly exercise to gather monitoring information regarding progress with implementation of the Scheme.

7.0 CONCLUSIONS

- 7.1 The Council has been directed by Government to implement and administer the Energy Bills Rebate Scheme. This will be a difficult and resource intensive Scheme to administer. However, the Council will be under considerable pressure from both Government and council tax payers to ensure payments under the Scheme will be made accurately and as soon as possible.

7.2 The proposals outlined in the report will enable the Council to deliver the payments required under the Energy Bills Rebate Scheme.

8.0 POLICY AND OTHER IMPLICATIONS

8.1 None.

9.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

9.1 There are no direct implications.

10.0 RISK ANALYSIS

10.1 Given the high number of payments and requests for information the Council will be at risk of receipt of false representation from individuals who will look to benefit from the Council Tax Rebate or Discretionary Fund. Internal Audit support will be sought in order to minimise the potential risks.

11.0 EQUALITY AND DIVERSITY ISSUES

11.1 None.

12.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Support for Energy bills the Council Tax Rebate 2022/23 Billing Authority Guidance – Steve Baker, Divisional Manager, Revenues and Financial Management.