

Lancaster City Council | Report Cover Sheet

Meeting	Cabinet	Date	12.04.2022
Title	The Council Tax Energy Rebate Scheme		
Report of	Head of Shared Service		
Purpose of the Report			
<p>This report seeks approval to implement a Council Tax Energy Rebate Scheme, following the recent introduction by Government of a package of support measures to offer help with rising energy bills, worth £9.1b nationally in 2022/23.</p> <p>The Council is tasked with implementing both a statutory and discretionary rebate as part of the new scheme, following the latest Government guidance and details of the Discretionary Energy Rebate Scheme and how it will work in practice can be found under Appendix A.</p>			
Key Decision (Y/N)			
	N	Date of Notice	
Exempt (Y/N)		N	

Report Summary

The Government support package includes:

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

The Council is tasked with implementing parts (b) and (c) of the support package and the report covers the operation and delivery of the Council Tax Energy Rebate Scheme including a statutory and discretionary scheme.

Recommendations of Councillor Whitehead (Cabinet Member for Finance and Resources)

- (1) That Cabinet approve the Council Tax Energy Rebate Scheme, including the discretionary scheme principles as set out under **Appendix A** to the report; and
- (2) That Cabinet authorise the S151 Officer to make final amendments to the scheme to accommodate evolving guidance and any technical issues in relation to the scheme and to make all other necessary arrangements for its implementation with immediate effect.

Relationship to Policy Framework

Scheme principles are in line with Council priorities, with the fund:

- supporting households at a difficult time as they struggle to pay energy bills
- helping to build a sustainable and just local economy for residents and communities

Conclusion of Impact Assessment(s), where applicable	
Climate	Wellbeing & Social Value
Digital	Health & Safety
Equality	Community Safety
<p>In line with Government guidance and its policy document, the Council will provide support to help reduce fuel poverty, in the form of an 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.</p> <p>In this regard a household is considered to be in fuel poverty if:</p> <ul style="list-style-type: none"> • They have required fuel costs that are above average (the national median level), and • Were they to spend that amount they would be left with a residual income below the official poverty line. <p>The Council Tax Energy Rebate Scheme, once approved, will provide guidance in determining eligibility, which applies equally across the authority. An Equality Impact Assessment has been completed which can be found at Appendix B.</p>	
Details of Consultation	
<p>No formal consultation with the public has taken place but officers have consulted with professional bodies (IRRV) and other local authorities to understand government intentions and share good practice in developing a scheme.</p>	
Legal Implications	
<p>It is important that the administration of both the statutory and discretionary schemes by the Authority complies with Government Guidance. Scheme principles within the Council Tax Energy Rebate Scheme (Appendix A) clarify how this will be achieved.</p>	
Financial Implications	
<p>The Government will fully reimburse local authorities for their share of the Council Tax Rebate (statutory scheme). The Council has been allocated £8,408,550 in this regard.</p> <p>The Discretionary Energy Rebate Scheme will be funded up to the maximum funding allocation for each billing area. The Council has received an allocation of £299,700 and initial costs are projected to be £291k leaving a small contingency fund to cover exceptional circumstance and other considerations.</p> <p>The Department for Levelling Up, Housing and Communities has confirmed that it will provide new burdens funding to cover expected reasonable costs associated with the implementation of this scheme. The rebate scheme should therefore have an overall neutral financial impact on the Council as long as the total discretionary rebate awarded does not exceed £299,700.</p>	
Other Resource or Risk Implications	
<p>It is accepted by Government that the implementation of this scheme will place an additional burden on the Council and therefore the Government will pay “new burdens” funding towards any additional resources required. This will cover staffing and software costs in relation to administration.</p> <p>The risk of any challenge in relation to this scheme is considered small and manageable</p>	
Section 151 Officer’s Comments	
<p>The S151 Officer has contributed to this report.</p>	

Monitoring Officer's Comments	
The Monitoring Officer has been consulted and has no further comments.	
Contact Officer	Adrian Robinson
Tel	01772 906023
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Links to Background Papers	
Council Tax Information Letter (3/2022) – Support for Energy prices – Council Tax Rebate 3/2022: Council Tax information letter - 15 February 2022 (publishing.service.gov.uk)	
Council Tax Rebate 2022/23 Guidance Note (Updated 16 March 2022): Support for energy bills - the council tax rebate 2022-23: billing authority guidance - GOV.UK (www.gov.uk)	

1.0 Background

1.1 On 23rd February 2022 the Government published guidance to billing authorities on delivery of a package of support measures to help households with rising energy bills, worth £9.1b nationally in 2022/23. This included:

- A £150 non-repayable rebate for households in England in council tax bands A to D, known as the Council Tax Rebate.
- £144 million of 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.
- A £200 discount on household energy bills this autumn for domestic electricity customers in Great Britain. This will be paid back automatically over the next 5 years.

1.2 The Department for Business Energy and Industrial Strategy (BEIS) will separately set out details in relation to part (a), the energy bill discount scheme in a consultation later in the year.

1.3 The Statutory Scheme – Council Tax Rebate

1.3.1 To provide immediate relief, while targeting those most likely to require support, the Government instructs local authorities to provide a £150 one-off non-repayable rebate to households (chargeable dwellings) in England that are someone's sole or main residence and are valued in council tax bands A to D, known as Council Tax Rebate. This part of the scheme is statutory and fully funded up to the value of £8.4m. A Government Leaflet in relation to the scheme has been issued in every Council Tax bill for the new financial year.

1.3.2 The statutory scheme includes property that is valued in band E but has an alternative band of D as a result of the disabled band reduction scheme and also includes those households (other than Houses in Multiple Occupation) not paying council tax due to their exemption under:

- CLASS N Dwellings occupied only by Students
- CLASS S Dwellings occupied only by under 18's.
- CLASS U Dwellings occupied only by Severely mentally impaired
- CLASS W "Granny Flats" occupied by a dependant relative

- 1.3.3 Unoccupied properties and those considered someone's second homes will not be eligible for support.
- 1.3.4 Eligibility for Council Tax Rebate under the statutory scheme will be determined on the position at the end of the day on 1 April 2022 and all payments need to have been made by 30 September 2022 to be considered in scope for reconciliation and funding purposes.
- 1.4 The Discretionary Energy Rebate Scheme
- 1.4.1 Lancaster has been allocated £299,700 from the Discretionary Fund to administer their discretionary scheme. Guidance confirms that the discretionary scheme can:
- support other energy bill payers who may not be eligible under the terms of the statutory scheme (i.e. bands E to H): 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.
- 1.4.2 Councils can determine locally how best to make use of the funding and officers have designed a targeted scheme to best serve those vulnerable groups likely to suffer most financial hardship as a result of the rise in the cost of energy.
- 1.4.3 As Council Tax Support is means tested, recipient households are those with the least income in our district, based on the minimum amount Central Government states they need to live on each week. The Council operates a scheme offering full Council Tax Support and therefore those in the district who qualify for full Council Tax Support are those with the least income.
- 1.4.4 As such the discretionary scheme targets those energy bill payers in receipt of Council Tax Support but residing in bands E to H that don't qualify for rebate under the statutory scheme. They will receive a discretionary energy rebate of £150. There are around 110 households in this category with an estimated cost of £16.5k.
- 1.4.5 At the same time, the scheme provides a top-up of £30 (in addition to the statutory £150 they receive) to households in receipt of full Council Tax Support and residing in bands A to D. There are approx. 7,500 households in this category with an estimated cost of £225k.
- 1.4.6 Records indicate that there are approx. 315 families residing in property band A to D, with children under 5, who qualify for some but not full Council Tax Support. This group will also receive a top up of £30 in addition to the £150 Council Tax Rebate they receive. The estimated cost is considered to be £9.4k.
- 1.4.7 Also, pensioners 80 or over on 1 April 2022 residing in property band A to D, who qualify for some but not full Council Tax Support will receive a top up of £30 in addition to the £150 Council Tax Rebate they receive. There are approx. 415 cases with an estimated cost considered to be £12,4k.
- 1.4.8 Furthermore, the discretionary scheme also provides support for the mentally ill and disabled. Those properties occupied by a resident (or residents) considered to be "severely mentally impaired" in band A to D will receive a "top up" of £30 in addition to the £150 Council Tax Rebate. There are approx. 500 households in this group. For those similar households in band E to H a discretionary energy rebate of £150 will be paid and there are approx. 60 households in this group. Estimated cost is considered to be £24k.

- 1.4.9 Those households in receipt of Disabled Persons Allowance with specific disabled facilities to accommodate a disabled resident will receive similar benefit: a top up of £30 will be paid to those disabled households in band A to E (higher band due to the band reduction). There are approx. 265 households in this group. For those qualifying households in band F to H (approx. 50 households) will receive a discretionary energy rebate of £150. Estimated cost is considered to be £15,5k
- 1.4.10 Acknowledging the likelihood of some duplication in the qualifying groups, the scheme is projected to come in around budget of £300k. However, subject to available funds, consideration will be given to applications from tenants, residing in Houses in Multiple Occupation (“HMO,s”) where the landlord pays the Council Tax bill, who can prove they are liable for the heating bill. At the same time there may be exceptional circumstances, where further consideration may be given.
- 1.4.11 Eligibility for the Discretionary Energy Rebate under the discretionary scheme will be determined on the position at the end of the day on 1 April 2022 and all payments need to have been made by 30 November 2022 to be considered in scope for reconciliation and funding purposes. There are no plans for the Government to provide any additional funding at this stage, and any remaining funds at that time must be repaid to them.
- 1.4.12 The Discretionary Energy Rebate is restricted to one payment per household.

2.0 Options and Options Analysis (including risk assessment)

- 2.1 In response to the energy crisis the Government has allocated funds to local Councils to support households financially in the form of Council Tax Energy Rebates awarded to those that meet the statutory criteria. At the same time the Government has allocated funds to local Councils to determine a discretionary scheme in support those households that don't necessarily meet the statutory criterial, or to provide a top-up in existing statutory support.

2.2 Option 1 – Agree to the proposal as recommended

The Council Tax Energy Rebate scheme sets out a formal approach to awarding relief and follows government guidance to determine eligibility under both the statutory and discretionary schemes. The approach adopted seeks to maximise use of funds to support the most vulnerable households in an open and equitable way given the limited funds available.

2.3 Option 2 – Refuse to access government funds on behalf of vulnerable households

Whilst the statutory scheme would be administered as instructed the Council would not access the Discretionary Fund and no relief would be awarded under that scheme. Subsequently, vulnerable households that do not meet the statutory scheme criteria would not receive much needed support towards their energy bills.

3 OFFICER PREFERRED OPTION AND COMMENTS

- 3.1 It is recommended that Option 1 be approved. The scheme enables a formal approach to eligibility, with criteria in line with Council priorities, offering financial support in the form of an energy rebate to those households that are considered vulnerable in relation to the rise in energy costs.

4 CONCLUSION

- 4.1 The scheme principles are considered a good use of limited discretionary funds to achieve the greatest benefit for a range of vulnerable households suffering financial hardship in relation to the energy crisis.

APPENDIX A

LANCASTER CITY COUNCIL COUNCIL TAX ENERGY REBATE SCHEME

Council Tax Rebate (the Statutory Scheme)

The Council will provide a £150 one-off non-repayable rebate to households (chargeable dwellings) in England that are someone's sole or main residence and are valued in council tax bands A to D, known as Council Tax Rebate.

This part of the scheme is statutory and fully funded up to the value of £8.4m.

The statutory scheme includes property that is valued in band E but has an alternative band of D as a result of the disabled band reduction scheme and also includes those households (other than Houses in Multiple Occupation) not paying council tax due to their exemption under:

- CLASS N Dwellings occupied only by Students
- CLASS S Dwellings occupied only by under 18's.
- CLASS U Dwellings occupied only by Severely mentally impaired
- CLASS W "Granny Flats" occupied by a dependant relative

Unoccupied properties and those considered someone's second homes will not be eligible for support.

Eligibility for Council Tax Rebate under the statutory scheme will be determined on the position at the end of the day on 1 April 2022 and all payments need to have been made by 30 September 2022 to be considered in scope for reconciliation and funding purposes.

The Discretionary Energy Rebate Scheme

Lancaster has been allocated £299,700 from the Discretionary Fund to administer their discretionary scheme. Guidance confirms that the discretionary scheme can:

- support other energy bill payers who may not be eligible under the terms of the statutory scheme (i.e. bands E to H): 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.

Councils can determine locally how best to make use of the funding and given limited funds the Council has designed a targeted scheme to best serve those vulnerable groups likely to suffer most financial hardship as a result of the rising energy costs.

- **Council Tax Support Recipients (including pensioners)**

The discretionary scheme targets those energy bill payers in receipt of Council Tax Support but residing in bands E to H that don't qualify for rebate under the statutory scheme. They will receive a discretionary energy rebate of £150.

At the same time, the scheme provides a top-up of £30 (in addition to the statutory £150 they receive) to households in receipt of full Council Tax Support and residing in bands A to D.

Families residing in property band A to D, with children under 5, who qualify for some but not full Council Tax Support will also receive a top up of £30 in addition to the £150 Council Tax Rebate they receive.

Pensioners 80 or over on 1 April 2022 residing in property band A to D, who qualify for some but not full Council Tax Support will receive a top up of £30 in addition to the £150 Council Tax Rebate they receive.

- **Disabled Residents**

Those properties occupied by a resident (or residents) considered to be "severely mentally impaired" in band A to D will receive a "top up" of £30 in addition to the £150 Council Tax Rebate. For those similar households in band E to H a discretionary energy rebate of £150 will be paid.

Those households in receipt of Disabled Persons Allowance with specific disabled facilities to accommodate a disabled resident will receive similar benefit: a top up of £30 will be paid to those disabled households in band A to E (higher band due to the band reduction). For those qualifying households in band F to H (approx. 50 households) will receive a discretionary energy rebate of £150.

There will be duplication in some of the defined groups listed above with households qualifying in a number of groups. A discretionary energy rebate payment will therefore be restricted to one payment per household.

Residential homes and similar establishments will not be eligible for this discretionary rebate.

Eligibility for Discretionary Energy Rebate under the discretionary scheme will be determined on the position at the end of the day on 1 April 2022 and all payments need to have been made by 30 November 2022 to be considered in scope for reconciliation and funding purposes. There are no plans for the Government to provide any additional funding at this stage, and any remaining funds at that time must be repaid to them.

Consideration may be given to applications from people in HMO accommodation who can prove they are liable for the heating bills. Also, additional rebate up to a maximum £150 per household may be provided to those households experiencing exceptional circumstances in relation to rising energy costs. In these examples, consideration will be subject to available funds.

Administration Arrangements

Customer Services will administer the scheme and the Community Hub Support Officer will take the project lead with Resident Support Officers processing the scheme.

Payments under either scheme are restricted to one payment per household.

Where the Council holds live direct debit instructions for a liable council taxpayer of an eligible household, we will make an automatic payment as early as possible in the 2022-23 financial year, provided we are assured that the household meets the eligible criteria and the bank details have been verified.

The Council has established a range of payment options to enable support to be provided to eligible households in different circumstances. Where the Council doesn't hold live direct debit details we will write/email individuals to offer a selection of payment methods. The selection takes the form of an application form whereby the eligible household can choose to:

- supply bank details to allow a BACS transfer to be made (subject to verification); or
- receive a single use voucher, to be redeemed through the Post Office; or
- receive the rebate posted as a credit to the relevant council tax account.

If the household does not respond by a specified date, having been given a choice of payment methods, it will be assumed that the household wishes the support payment to be credited to the household council tax account and the transfer will be administered.

There is no specific appeal process in relation to this scheme and any disputes will be administered through the Council's Complaint procedure in the first instance.

Additional steps may be introduced before payment, to prevent fraud, erroneous payment and the need for clawback.

Equality Impact Assessment

This **online** equality impact assessment should:

An equality impact assessment should take place when considering doing something in a new way. Please submit your completed EIA as an appendix to your committee report. Please remember that this will be a public document – do not use jargon or abbreviations.

Service

Title of policy, service, function, project or strategy

Type of policy, service, function, project or strategy: Existing New/Proposed

Lead Officer

People involved with completing the EIA

Step 1.1: Make sure you have clear aims and objectives

Q1. What is the aim of your policy, service, function, project or strategy?

Q2.

Who is intended to benefit? Who will it have a detrimental effect on and how?

Step 1.2: Collecting your information

Q3. Using existing data (if available) and thinking about each group below, does, or could, the policy, service, function, project or strategy have a negative impact on the groups below?

Group	Negative	Positive/No Impact	Unclear
Age	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Faith, religion or belief	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender including marriage, pregnancy and maternity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Race	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sexual orientation including civic partnerships	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other socially excluded groups such as carers, areas of deprivation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rural communities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Step 1.3 – Is there a need to consult!

Q4. Who have you consulted with? If you haven't consulted yet please list who you are going to consult with? Please give examples of how you have or are going to consult with specific groups of communities

Equality Impact Assessment

We have consulted with the Council Tax Team and cabinet members who have helped shape the proposal based on the amount of money we have been assigned.

Step 1.4 – Assessing the impact

Q5. Using the existing data and the assessment in questions 3 what does it tell you, is there an impact on some groups in the community?

Age: We are supporting those with children under 5 and those over 80 so will positively support some age groups. These age groups are at home more and therefore their families will have higher energy bills.

Disability: We are supporting those with a disabled reduction or severely mentally impaired marker on their council tax to ensure we are supporting those in our community who are severely disabled.

Faith, Religion or Belief: no affect

Gender including Marriage, Pregnancy and Maternity: no affect

Gender Reassignment: no affect

Race: no affect

Sexual Orientation including Civic Partnership: no affect

Rural Communities: no affect

Step 1.5 – What are the differences?

Q6. If you are either directly or indirectly discriminating, how are you going to change this or mitigate the negative impact?

n/a

Q7. Do you need any more information/evidence eg statistic, consultation. If so how do you plan to address this?

We have gathered extensive statistics around how many people in our district get either all or some council tax support, their ages etc to ensure that we can set up a scheme that we can afford as well as ensures we can support as many people who are struggling financially

Step 1.6 – Make a recommendation based on steps 1.1 to 1.5

Q8. If you are in a position to make a recommendation to change or introduce the policy, service, function, project or strategy, clearly show how it was decided on.

We have been asked to run this scheme by central government and then in turn Council Tax asked the customer services team to take the project lead and implement this,

Q9. If you are not in a position to go ahead, what actions are you going to take?

n/a

Q10. Where necessary, how do you plan to monitor the impact and effectiveness of this change or decision?

We will keep detailed logs of everyone we have supported through this scheme.