

## Council Tax Energy Rebate (Discretionary) Scheme

<p><b>Summary:</b></p> <p><b>Options considered:</b></p>	<p>The Government has announced the Council Tax Energy Rebate Scheme to provide a £150 non repayable rebate for eligible households in council tax bands A-D and includes discretionary funding for billing authorities to support households who are in need but not eligible for the Council Tax Energy Rebate under the mandatory scheme. The discretionary scheme and eligibility criteria are set out in this report for approval.</p> <p>To not approve the Council Tax Energy Rebate (Discretionary) Scheme would miss the opportunity to provide financial support to those in need of support with rising energy costs and to provide top-up support to the most financially vulnerable households.</p> <p>To not approve the scheme would be a contravention to the legislation laid down by the Department for Levelling Up, Housing and Communities on 3<sup>rd</sup> February 2022.</p> <p>To have no written scheme in place would mean there is no visible guidance of eligibility criteria and outline of the approach taken by the Council in determining when a discretionary rebate is to be paid or not. This would not be recommended as it could cause some uncertainty for residents.</p> <p>To not approve delegated authority to the Benefits Manager to make technical scheme amendments would cause delay in reflecting any revised government guidance into the scheme, such as changes in eligibility criteria, and would cause uncertainty.</p> <p>To not delegate authority to the Section 151 Officer, or their deputy, in consultation with the Assistant Director for People Services or the Cabinet Member for Housing and Benefits to make amendments to the scheme, such as the eligibility criteria and amount of the discretionary award, would not provide the ability to quickly make amendments to manage spending within the limited funding allocation.</p>
<p><b>Conclusions:</b></p>	<p>The proposed scheme allows the council to provide support to those households who are not eligible to a payment under the mandatory scheme, primarily due to the technicalities in council tax legislation, and to support the most financially vulnerable households who are in receipt of council tax reduction. The criteria and application process set out in the scheme is designed to be clear and as easy to administer as possible to each eligible household. The council will be in a position to make payments in a timely manner to provide the financial support needed. This scheme supports our corporate priority to support communities and provide excellent public service.</p>
<p><b>Recommendations:</b></p>	<p>To agree the scheme for the Council Tax Energy Rebate (Discretionary) scheme as detailed in Appendix 1.</p> <p>To delegate authority to the Section 151 Officer, or their deputy, in consultation with the Assistant Director for People Services or the Cabinet Member for Housing and Benefits, to make amendments to the scheme eligibility criteria and the amount of the discretionary award.</p>

<p><b>Reasons for Recommendations:</b></p>	<p>To delegate authority to the Benefits Manager to make scheme amendments which are required to give effect to any revised government guidance.</p> <p>The Government is providing all billing authorities with discretionary funding to support other energy bill payers who are not eligible under the mandatory scheme for the £150 council tax rebate, and to provide carefully targeted “top-up” payments to the most vulnerable households in bands A-D.</p> <p>It is for each Local Authority to determine agreed guidelines setting out the eligibility criteria for their discretionary funding and have regard to government guidance. It is important to have a written scheme for North Norfolk District Council outlining these and the administration of support payments to provide clarity to individuals.</p> <p>The delegated authorities would ensure any required technical scheme amendments could be updated promptly where there is revised government guidance providing assurance to the scheme and also clarity to households. Any changes in eligibility criteria or the amount of discretionary awards could be changed quickly to ensure spending of the funding allocation is managed to maximise support to households in need and that the fund is not overspent.</p>
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## LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW

*(Papers relied on to write the report, which do not contain exempt information and which are not published elsewhere)*

Scheme guidance can be found here -

[Council tax rebate: factsheet - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/council-tax-rebate-factsheet)

Council Tax (Demand Notices and Reduction Schemes) (England) (Amendment) Regulations 2022’ which were laid before Parliament on 11 February 2022 and came into force on 12 February 2022. The Regulations can be found at:

<https://www.legislation.gov.uk/uksi/2022/127/contents/made>

Cabinet Member(s)	Ward(s) affected
Cllr Wendy Fredericks	All wards
<p>Contact Officer, telephone number and email:</p> <p>Trudi Grant, Benefits Manager  <a href="mailto:trudi.grant@north-norfolk.gov.uk">trudi.grant@north-norfolk.gov.uk</a>  01263 516262</p>	

## 1. Background

- 1.1 The government recognises that many households will need support to deal with the rising cost of household bills in 2022-23, driven by increasing energy bills. While these rising costs will affect most households across the country, they are more likely to disproportionately affect those on lower incomes, who tend to spend a higher proportion of their income on utility bills.
- 1.2 The mandatory Council Tax Energy Rebate 2022-23 scheme provides most households in bands A-D with a £150 one-off payment to a liable council tax payer (meeting eligibility criteria on 1 April 2022).
- 1.3 The government recognises that billing authorities may also wish to provide support to other energy bill payers who are not eligible under the terms of the mandatory scheme, and to provide carefully targeted 'top-up' payments to the most vulnerable households. It will therefore provide every billing authority with a share of a £144 million Discretionary Fund to enable councils to 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.
- 1.4 North Norfolk District Council will receive funding of £226,350. This report seeks approval of the Council Tax Energy Rebate (Discretionary) Scheme 2022/23 (Appendix 1) which provides the eligibility criteria and approach to administering the payments in line with government guidance and legislation.

## **2. Eligibility Criteria**

- 2.1 When developing the proposed eligibility criteria we have taken into account the suggestions within government guidance to include low income households in band E-H and to exclude households unlikely to be eligible as not exposed to rising energy costs, such as occupants of student halls and those living in Ministry of Defence property.
- 2.2 The following summarises the proposed eligible criteria, detailed in full in the scheme documentation at Appendix A.
  - **(Criteria A)** Households living in property in Band E-H who are in receipt of Council Tax Support as at 1<sup>st</sup> April 2022. This will provide support to those households not eligible for a payment under the mandatory rebate scheme as the property is in a higher band but the household has a low income. The proposed award is £150.00 meaning support is levelled up for all low income households in receipt of Council Tax Support across the district. Based on modelling this would provide support to 163 more households.
  - **(Criteria B)** Top up payment to all households living in property in band A-H who are in receipt of maximum entitlement of Council Tax Support as at 1<sup>st</sup> April 2022. This will provide a targeted "top-up" payment of £30.00 to support those households in receipt of maximum support with council tax bills as they have the lowest income and likely to be most financially vulnerable households in the district. Maximum Council Tax Support for working age claimants 91.5% and for pension age claimants 100%. The proposed top-up payment of £30 would mean additional support to 4772 households.
  - **(Criteria C)** Households living in a property in band E – H who are in receipt of a Council Tax exemption class N (students), class S (premises occupied by persons under 18 years of age), class U (severely mentally impaired), or class W (dependent elderly relative living in an annexe) as at 1<sup>st</sup> April 2022. This will provide support to those households not eligible for a

payment under the mandatory rebate scheme as the property is in a higher band but the households are likely to be in receipt of a low income, or are occupied by elderly people, or people with severe mental impairments. The proposed award is £150.00. Based on scheme modelling this would provide support to an additional 25 households.

- **(Criteria D)** Households living in a property in band F – H who are in receipt of a reduction to their Council Tax band under (reductions for disabilities) regulations 1992, known as a Disabled Band Reduction, as at 1<sup>st</sup> April 2022. It should be noted that where the person in this category resides in a dwelling with a Council Tax band E, they will be treated as being in a band D property and receive a payment under the mandatory scheme. The proposed award is a single one off payment of £150.00. Based on scheme modelling this would provide support to an additional 48 households.
- **(Criteria E)** Houses in multiple occupation (HMO) where occupiers are not liable for council tax but are responsible for energy bills on 1 April 2022. These households are excluded from the mandatory rebate scheme due to the legislative council tax requirements where the owner is liable. The proposed award is £100.00 per household across band A-H. The occupant must be in receipt of a means tested benefit. A budget of £17,790 has been allocated for this group of households.
- **(Criteria F)** Residents who are in exceptional hardship and who have an immediate need for support with fuel costs, can apply for additional support under the scheme. Cases will be referred for help via the Early Help & Prevention Team. A budget of £30,000 has been allocated for this group of households.

### 2.3. Modelling work has been undertaken and is summarised below.

	Household Type	Number of households	Amount of Energy Payment or Top-Up	Total expenditure
(Criteria A)	A single one off payment of £150 will be awarded to any household who resides in a dwelling with a Council Tax band E - H and in receipt of CTS.	163	£ 150.00	£ 24,450.00
(Criteria B)	A single top up payment of £30 where any household who resides in a dwelling (in any bands A to H) who also receives maximum Council Tax Support (for working age claimants 91.5% and for pension age claimants 100%).	4772	£ 30.00	£ 143,160.00
(Criteria C)	A single one off payment of £150 will be awarded to any household in receipt of a Council Tax exemption N, U, S or W residing in a dwelling with a Council Tax band E - H.	25	£ 150.00	£ 3,750.00
(Criteria D)	A single one off payment of £150 will be awarded to any household in receipt of a Disabled Band Reduction residing in a dwelling with a Council Tax band bands F - H.	48	£ 150.00	£ 7,200.00
(Criteria E)	Residents of Houses in Multiple Occupation or residents in temporary accommodation where there is no liability to pay Council Tax but who have fuel costs i.e. payment meters. Proof of fuel costs will be required. Must be in receipt of a qualifying benefit*. Application based.	N/A	£ 100.00	£ 17,790.00
(Criteria F)	Residents who are in exceptional hardship and who have an immediate need for support with fuel costs. Cases to be referred via the Early Help & Prevention Team.	N/A	N/A	£ 30,000.00
	<b>Total amount of funding</b>			<b>£ 226,350.00</b>
	*Qualifying benefit is determined as UC, WTC, ESA (IR), JSA (IB), IS, HB, or PC			

### **3. Delivery of the scheme**

- 3.1 Work is underway to develop and implement the claim and assurance process.
- 3.2. We have already procured the software required to facilitate payments under the mandatory scheme and the same software will be used for payments under the discretionary scheme.
- 3.3. Where it is clear to the council that the household meets the eligibility criteria and bank details are known from the Council Tax Direct Debit instruction, then payments will be made automatically into that bank account. Where household circumstances are required to be verified or no live bank details are held then an application form will be made available online.
- 3.4. To ensure digital inclusion a member of the Benefits Team will be available to complete an application over the telephone where the applicant does not have access to the internet or is not competent in using ICT.
- 3.5. All payments will be subject to pre-payment assurance checks in line with government guidance to ensure payments are made to eligible households and bank details provided are verified.
- 3.6. The Council Tax Energy Rebate (Discretionary) scheme will be promoted via our website <https://www.north-norfolk.gov.uk/tasks/council-tax/energy-bills-rebate/> and social media channels in order to maximise awareness to eligible households. Where required eligible households will be invited to claim to ensure the allocated funding is paid quickly to provide the needed support for rising energy bills.
- 3.7. The Council already encourages people to pay their Council Tax by direct debit (DD). Households have been further encouraged to sign-up for direct debit to speed up the energy payments. Any households which have not signed up for direct debit will need to go through a separate process. This will involve the Council collecting their bank account details. For those without bank accounts the rebate will be to a payment intermediary (such as the Post Office) to facilitate a cash payment. For customers who are difficult to reach the rebate can, as a last resort be credited to their Council Tax account.
- 3.8. Payments will be based on residency at the relevant property on 1st April 2022. The scheme will be open for payments to be made to eligible households until 30 November 2022.
- 3.9. The payments received will be disregarded as income for any people on means tested benefits.

### **4. Funding**

- 4.1 The Discretionary Fund is to be passed on directly as one-off grants to households that the billing authority chooses to support. Any unspent funding will be required to be repaid to government and in the event of any overspend, no additional funding will be provided.
- 4.2 North Norfolk District Council has been allocated £226,350 under the Discretionary Scheme which was received in March 2022.
- 4.3 Central government have agreed to meet the administrative costs incurred by councils as a result of implementing the scheme. Billing authorities have been

provisionally compensated in February for the administrative costs of providing the rebate.

## **5. Conclusion**

- 5.1. The proposed scheme allows the council to provide support to those households who are not eligible to a payment under the mandatory scheme, primarily due to the technicalities in council tax legislation, and to support the most financially vulnerable households who are in receipt of council tax reduction. The criteria and application process set out in the scheme is designed to be clear and as easy to administer as possible to each eligible household. The council will be in a position to make payments in a timely manner to provide the financial support needed. This scheme supports our corporate priority to support communities and provide excellent public service.

## **6. Implications and Risks**

- 6.1. With any scheme involving the payment of grants, there is the potential from fraud and error.
- 6.2. The council has put in place a robust process to ensure the identity, residence, financial details, and payment information of the applicant is correct. We will be using data across Council Tax, Benefits, and DWP to ensure applicant details are cross-referenced and verified.
- 6.3. The Council has put in place a robust process to ensure the correct payment details are held and verified through TransUnion.

## **7. Financial Implications and Risks**

- 7.1. In order to minimise the risk of financial cost incurred by the council, the Revenues and Benefits Team have carried out research to find the most cost effective and efficient product on the market for making payments under the two schemes. The use of automation will be significantly cheaper than having to use staff (including paying overtime or employing additional staff) to undertake the tasks required to complete this project.
- 7.2. Resourcing of the scheme will fall within the existing staffing establishment costs.
- 7.3. There is currently no additional funding identified within the Council to support discretionary relief, which means that expenditure will need to be contained within the cash limited.
- 7.4. Central government have agreed to meet the administrative costs incurred by councils as a result of implementing the scheme. A provisional payment has been received by DLUHC but there is a risk that costs incurred by the council will not be recovered in full.
- 7.5. Any unspent funding will be required to be repaid to government and in the event of any overspend, no additional funding will be provided.

## **8. Sustainability**

- 8.1. There are no items to consider.

## **9. Equality and Diversity**

- 9.1. The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act.
  - Advance equality of opportunity between people who share protected characteristics and people who do not.
  - Foster good relations between people who share those characteristics and people who do not.
- 9.2. The proposed decision is to approve the Council Tax Energy Rebate (Discretionary) scheme will affect residents in North Norfolk with a low income across the district, among whom many with protected characteristics – including race and disability – are overrepresented.
- 9.3. The objective of the proposed decision is to provide an additional safety net for residents who are facing financial crisis and to prevent residents from falling into financial crisis. This will lead to reduced debt for the groups as described above and will support the implementation of the scheme.
- 9.4. The discretionary scheme will also cater for cases where people could benefit from a grant if they are not the Council Tax payer.

## **10. Section 17 Crime and Disorder considerations**

- 10.1. There are no items to consider.