

**Classification: Public**

**Key Decision: No**

## **Gravesham Borough Council**

**Report to:** Cabinet

**Date:** 21 March 2022

**Reporting officer:** Pat Knight, Head of Revenues and Benefits

**Subject:** Support for energy bills – the Council Tax Rebate 2022/2023

### **Purpose and summary of report:**

To inform Members of the Council Tax Rebate 2022-2023 as part of the Governments announced package of support known as the Energy Bills Rebate.

To seek Member approval to delegate authority for the design and implementation of the Council Tax Rebate discretionary scheme to the Director (Corporate Services). In consultation with the Portfolio Holder for Performance & Administration.

### **Recommendations:**

1. Cabinet delegate authority to the Director (Corporate Services), in consultation with the Portfolio Holder for Performance & Administration, 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.
2. Cabinet delegate authority to the Director (Corporate Services) to make any further technical amendments to the scheme where further government advice is issued and ensure that the Portfolio Holder for Performance & Administration is kept informed of any such amendments required.

<b>Key Implications:</b>	
<b>Item</b>	<b>Implications</b>
<b>Legal</b>	No apparent risk as the Council Tax Rebate will be administered through existing definitions and powers contained in the Local Government Finance Act 1992 and subsequent regulations including :- <ul style="list-style-type: none"><li>• The disabled band reduction scheme refers to reductions provided under the Council Tax (Reductions for Disabilities) Regulations 1992.</li><li>• A chargeable dwelling is as defined at section 4 of the Local Government Finance Act 1992.</li><li>• Classes N, S, U and W are set out at article 3 of the Council Tax (Exempt Dwellings) Order 1992 (as amended by the Council Tax (Exempt Dwellings) (Amendment) Order 1993,</li></ul>

	<ul style="list-style-type: none"> <li>the Council Tax (Discount Disregards and Exempt Dwellings) (Amendment) Order 1995 and</li> <li>the Council Tax (Chargeable Dwellings, Exempt Dwellings and Discount Disregards) Amendment Order 1997).</li> </ul>
<b>Finance and Value for Money</b>	<p>Payment of funds allocated by Government to the council for the Council Tax Rebate will be reconciled against spend based on the eligibility criteria in the published guidance. Any overfunding of grant to billing authorities must be paid back to Government and any underfunding will be settled with billing authorities following the reconciliation.</p> <p>Payment of funds allocated by Government to the council for the Discretionary Fund will be reconciled against spend as for the Council Tax Rebate. Any overfunding must be paid back to Government. However, the Government will not provide any additional funding which exceeds the allocation with any over funding</p>
<b>Corporate Plan</b>	#2 People: Put our customers first; implement a suite of quality and effective frontline services accesible to all.
<b>Climate Change</b>	N/A

## 1. Introduction

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:

- 1.1.1 £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.
- 1.1.2 A £150 non-repayable rebate for households in England in council tax bands A – D, known as the Council Tax Rebate.
- 1.1.3 £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.

1.2 £144 million of discretionary funding for billing authorities to support households  
On 23 February 2022, the Government released guidance on the Council Tax Rebate 2022-2023 intended to support billing authorities, such as Gravesham, in administering the core scheme of Council Tax Rebate for households in bands A-D scheme. The guidance also sets out the scope of the Discretionary Fund with suggested criteria which local authorities should have regard to when determining the awarding of support to other energy bill payers who are not under the terms of the core scheme.

## **2. Funding Received**

- 2.1 A total £5,546,250 has been allocated to Gravesham Borough Council. This sum consists of the following :
- 2.1.1 £5,297,100 for the core scheme of Council Tax Rebate 2022-2023. This is equivalent of paying £150 to 35,314 households, which is required to be distributed to eligible households by 30 September 2022. Although , the original government announcement stated it would be paid in April 2022
  - 2.1.2 £249,150 for the discretionary fund. This is equivalent of paying £150 to 1,661 households, 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 for Levelling Up, Housing and Communities (DLUHC) on distribution of funds through the scheme. There will be reconciliation exercise in due course to confirm amount awarded from the funding received 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 tax payer (or a person who would otherwise be liable where the property is exempt) for every household that occupies a property which meets all of the following criteria on 1 April 2022 :
- 3.1.1 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, as a result of the disabled band reduction scheme;
  - 3.1.2 It is someone's sole or main residence;
  - 3.1.3 It is a chargeable dwelling, or in defined exemption categories:
  - 3.1.4 'Class N' Dwellings occupied students or college leavers or by spouses or dependants of students
  - 3.1.5 'Class S' Dwellings occupied only by persons aged under 18
  - 3.1.6 Class U' Dwellings occupied by the severely mentally impaired
  - 3.1.7 'Class W'; Occupied annexes
  - 3.1.8 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 governmental body.
- 3.2 A property that meets all the criteria, but has a nil council tax liability as a result of council tax reduction scheme, 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 in bands E – H (currently 6,463 properties) that are on income related benefits such as Council Tax Reduction (currently 233 claimants in bands E-H) or those where the energy bills payers are not liable for council tax.
- 4.2 Given the speed with which the council is required to act, delegated authority is sought to be given to the Director (Corporate Services) to develop a Discretionary Fund Scheme and associated policy, and to make the necessary arrangements to assess eligibility and determine award of funding to eligible businesses.

#### **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 require the following explanatory sentence to be included in council tax demand notices (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 has also provided an information leaflet, which will accompany all annual bills.
- 5.2 The service will work closely with the Communications team, Digital Team and Customer Services to ensure that households are provided with clear and timely information about the Council Tax Rebate scheme and 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 bank details have been verified. Where multiple residents of an eligible household are jointly and severally liable for council tax, and a council holds live direct debit instructions for that household, the full £150 payment will be made to the direct debit account. At the time of preparing this report, bank details were held for 20,285 council tax payers out of 36,113 properties in band A-D in the Borough. There has been press coverage to encourage Direct Debit take-up since late February.
- 5.4 Where the council does not 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 to them, but will include an option for residents who are digitally excluded, for example assisted applications by 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. The service is currently exploring other various methods of making payment.
- 5.5 The council is required to undertake pre-payment checks via Spotlight, the governments due diligence risking tool, prior to any payment, which is not awarded to a live direct debit holder.

#### **6. Appendices**

- 6.1 There are no appendices.

## 7. Background Documents

7.1 The following background documents were used:

Department for Levelling Up, Housing and Communities Guidance

Support for energy bills – the council tax rebate 2022-23: billing authority guidance

<https://www.gov.uk/government/publications/the-council-tax-rebate-2022-23-billing-authority-guidance/support-for-energy-bills-the-council-tax-rebate-2022-23-billing-authority-guidance>

**Lead Officer:** Pat Knight Head of Revenues and Benefits

**Email:** Pat.knight@gravesham.gov.uk

<b>Secondary Implications</b>	
<b>Risk Assessment</b>	There are no perceived financial risks due to the core scheme funded by government. The discretionary scheme is a finite amount and will be monitored and reported to members and management to ensure no overspend. Any system upgrade financial risks will be mitigated by new burdens funding. It is envisaged that the system used in processing these payments will extensively use existing council systems. Any resource risk will again be mitigated by resilience support funded by new burdens funding. There is a perceived risk that any government changes to the current guidance will change the scope of the scheme(s). The service is signed up to relevant alerts and liaises with relevant professional bodies to ensure appropriate and timely action is undertaken.
<b>Data Protection Impact Assessment</b>	<p><i>A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process.</i></p> <p>a. Does the project/change being recommended through this paper involve the processing of <a href="#">personal data</a> or <a href="#">special category data</a> or <a href="#">criminal offence data</a>? A definition of each type of data can be found on the Information Commissioner's Office website via the above links. Yes personal data (council tax records including bank account details)</p> <p>b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice? This will be undertaken once it is known whether any personal data will be held outside of the existing revenues and benefits system.</p> <p>c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at <a href="mailto:gdpr@medway.gov.uk">gdpr@medway.gov.uk</a>.</p>
<b>Equality Impact Assessment</b>	<p>a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer. The core scheme may initially adversely impact those residents who are 'asset rich but cash poor' as based on council tax property bands. This will be considered when devising the discretionary fund scheme and utilise the Low Income Family Tracker to identify such cases.</p> <p>b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer. N/A</p> <p><i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i></p>
<b>Crime and Disorder</b>	Not applicable
<b>Digital and website implications</b>	The service will work with both the digital and communications teams to ensure that the scheme are widely publicised and hosted appropriately.
<b>Safeguarding children and vulnerable adults</b>	Not applicable