

MID SUFFOLK DISTRICT COUNCIL

TO: Cabinet	REPORT NUMBER: MCa/21/47
FROM: Councillor John Whitehead Cabinet Member for Finance	DATE OF MEETING: 4 th April 2022
OFFICER: Andrew Wilcock (SRP Operations Manager)	KEY DECISION REF NO. CAB338

Council Tax Energy Rebate 2022/23

1. PURPOSE OF REPORT

- 1.1 On 3rd February 2022 the Chancellor announced funding as part of an energy bills rebate to support families with rising energy prices. The Government will provide funding for billing authorities to give all households, where the primary residence is valued in council tax bands A-D, a one-off council tax energy rebate payment of £150. The funding is due to be paid on the 30th March. There is also a discretionary element to this initiative, which the Council will need to develop and agree a policy for. This report provides an overview of this scheme and explains the steps to be taken to implement these reliefs.

2. OPTIONS CONSIDERED

- 2.1 **Option 1 – Delegate authority to the Assistant Director for Corporate Resources in consultation with the Cabinet Member for Finance to agree the discretionary Council Tax Energy Policy, in accordance with the relevant Government guidelines.**

A new policy can be introduced in a timely fashion for the discretionary element of the relief and applications can be invited from households.

- 2.2 **Option 2 – Once the policy is drafted, it is brought back to Cabinet for consideration**

Following Cabinet approval, the discretionary policy can be implemented, and applications invited.

3. RECOMMENDATIONS

- 3.1 That Cabinet give authority to the Assistant Director for Corporate Resources in consultation with the Cabinet Member for Finance to agree the discretionary Council Tax Energy Policy, in accordance with the relevant Government guidelines.
- 3.2 That Cabinet gives authority to the Shared Revenues Partnership (SRP) Operations Manager to administer the scheme for the Council Tax Energy Rebate and the discretionary Council Tax Energy Policy.

REASON FOR DECISION

To provide support to households to pay energy bills.

To enable the implementation of the discretionary policy.

4. Background

- 4.1 On 3rd February 2022 the Chancellor announced funding as part of an energy bills rebate to support families with rising energy prices. The Government will provide funding for billing authorities to give all households, where the primary residence is valued in council tax bands A-D, a one-off council tax energy rebate payment of £150. The funding is due to be paid on the 30th March. There is also a discretionary element to this initiative, which the Council will need to develop and agree a policy for the administration of this fund.
- 4.2 The Council has been allocated £5,199,300 and the Government requires the grants to be paid as soon as possible from April.
- 4.3 The payment will operate outside of the council tax system using council tax lists to identify eligible households.
- 4.4 To be eligible for the main scheme households in occupied properties must meet the following criteria on 1st April 2022
- It is valued in council tax band A – D. This includes property that is valued in band E but has an alternative valuation band D, as a result of the disabled band reduction scheme;
 - It is someone's sole or main residence;
 - It is a chargeable dwelling, or in exemption classes N, S, U or W; and
 - 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.
- 4.5 In addition to this £150 Energy Rebate scheme, there will be discretionary funding to support those suffering financial hardship as a result of the rising cost of living. The Council has been allocated £161,250 for this fund. It can use the discretionary fund to offer carefully targeted 'top-up' payments to the most vulnerable households in bands A - D (for example, those on means tested benefits), or to offer support exceeding £150 per household under their discretionary scheme. It could also include households in band E – H that are on income related benefits or those where energy bill payers are not liable for Council Tax. The Government expects that all support from the Discretionary Fund is targeted towards those most likely to be suffering hardship as a result of the rising cost of living. Allocations from the Discretionary Fund should be spent by 30 November 2022. Any remaining funding will be required to be repaid to government
- 4.6 The Council is required to create a discretionary policy for the administration of this funding.

4.7 SRP is currently working through the issued guidance (<https://www.gov.uk/government/publications/the-council-tax-rebate-2022-23-billing-authority-guidance>), liaising with NEC (software supplier) and other internal teams to shape the process that ensures that Government expectations are met in respect of pre and post-payment assurance, that bank details are received from those customers who do not pay by direct debit and that all eligible customers receive the money as quickly as possible from April.

4.8 To give an idea of the size of the task in hand, the table below shows the current number of banded properties.

LA	A	B	C	D	E	F	G	H	Total
Mid Suffolk	5,690	12,687	10,303	7,566	5,740	3,106	1,686	110	46,888

4.9 It is estimated that bank details are not held for around 8,432 households (Band A-D).

4.10 In 2022 the government will run a reconciliation exercise against actual expenditure. All payments within scope of the reconciliation process will need to have been made by 30th September 2022 for the main scheme and 30th November 2022 for the discretionary scheme.

4.11 Taking the above into account and the short timeline to implement this scheme, Cabinet would need to delegate authority for agreeing the discretionary policy, so that a decision can be taken once the policy is finalised.

5. LINKS TO CORPORATE PLAN

5.1 Taking measures to implement these schemes will support the financial and hence general wellbeing of the local community.

6. FINANCIAL IMPLICATIONS

6.1 The Council has been allocated £5,199,300 for the non-discretionary fund and £161,250 for the discretionary fund.

6.2 The Council will maintain a record of expenditure under the Council Tax Rebate and Discretionary Fund and report implementation progress to Government. At the point of reconciliation, any unspent funding must be returned to the Government.

7. LEGAL IMPLICATIONS

7.1 To ensure that households already receiving council tax support receive the full benefit of the rebate scheme, the Secretary of State made the Council Tax (Demand Notices and Reduction Schemes) (England) (Amendment) Regulations 2022 which came into force on 12th February 2022. The Regulations require that from 1st April 2022 all local council tax support schemes (including those for persons of working and pension age) must disregard scheme payments in determining a person's eligibility for a council tax reduction and the amount of any such reduction.

7.2 The Council's Local Council Tax Reduction policy accounts for this change.

8. RISK MANAGEMENT

8.1 Key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
If qualifying households are not identified to receive payment, then the intention of the initiative will be lost.	3 – Probable	2 – Noticeable / Minor	Officers identify the list of households eligible for payment in accordance with the guidance.
If qualifying households do not apply for the discretionary funding, then the Council will be unable to support those in financial need.	3 – Probable	2 – Noticeable / Minor	The Discretionary Fund will be publicised for applications.
If there is insufficient resource to administer the scheme, then payments will be delayed.	3 - Probable	3 – Bad	Use of automation where possible and the new burdens funding to boost capacity.
If there is insufficient resource to administer the scheme, then payments could be made incorrectly.	3 - Probable	3 – Bad	Use of automation where possible and the new burdens funding to boost capacity.
If adequate records of expenditure are not kept, the Council will not be reimbursed for the costs related to the Energy Rebate	3 - Probable	3 – Bad	Payments issued via the finance system and recorded against a GL code

9. CONSULTATIONS

- 9.1 There is no requirement to consult on these schemes

10. EQUALITY ANALYSIS

- 10.1 The development of a discretionary scheme will take equality matters into account and an Equality Impact Assessment will be carried out at that time to inform decision making.

11. ENVIRONMENTAL IMPLICATIONS

- 11.1 The implementation of the government's decision to provide a Council Tax Energy Rebate has a minor impact on the environment and the Council's carbon targets through the printing, posting and delivery of any associated letters.

