

Discretionary Energy Rebate Scheme

Final Decision-Maker	Policy and Resources Committee
Lead Head of Service/Lead Director	Mark Green, Director of Finance and Business Improvement
Lead Officer and Report Author	Zoe Kent, Interim Head of Revenues and Benefits
Classification	Public
Wards affected	All

Executive Summary

A mandatory scheme for payment of energy rebates to Council Tax Payers in Bands A - D has been introduced by the government and will run from 1 April 2022 to 30 September 2022. In addition, each council is required to have a discretionary scheme to energy bill payers who are not eligible under the terms of the core scheme, or to provide targeted 'top-up' payments to the most vulnerable households in bands A to D. This report sets out proposals for the discretionary scheme.

Purpose of Report

For decision.

This report makes the following recommendations to this Committee:

1. That Policy and Resources Committee agrees the distribution methodology for the Discretionary Energy Rebates Scheme set out in paragraph 2.7.
2. That the Committee approves details of the Scheme as set out in Appendix A.

Timetable

Meeting	Date
Policy and Resources Committee	28th April 2022

Discretionary Energy Rebate Scheme

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	We do not expect the recommendations will by themselves materially affect achievement of corporate priorities. However, it is appropriate for the Council to assist vulnerable households in dealing with the cost of energy.	Director of Finance and Business Improvement / S151 Officer
Cross Cutting Objectives	The report recommendations help to address Deprivation and Social Mobility.	Director of Finance and Business Improvement / S151 Officer
Risk Management	Already covered in risk section.	Director of Finance and Business Improvement / S151 Officer
Financial	The proposals set out in the recommendation are funded through central government grant. It is anticipated that the cost of implementing the recommendations, in terms of staff time and systems upgrades, will be covered by a government new burdens grant.	Director of Finance and Business Improvement / S151 Officer
Staffing	We will deliver the recommendations primarily using current staffing. However, if necessary we will recruit additional staff on short-term contracts, using new burdens funding.	Director of Finance and Business Improvement / S151 Officer
Legal	Adopting an appropriate scheme will provide compliance with guidance issued by the Secretary of State (DLUHC) to billing authorities in administering support for energy bills by council tax rebate 2022-23 and the associated discretionary fund for households.	Monitoring Officer
Privacy and Data Protection	The data will be held and processed in accordance with the data protection principles contained in Schedule 1 to the Data Protection Act 1998.	Director of Finance and Business Improvement / S151 Officer

Equalities	An Equalities Impact Assessment will be carried out if appropriate.	Director of Finance and Business Improvement / S151 Officer
Public Health	The recommendations potentially have a positive impact by making it easier for residents to afford adequate light and heating.	Director of Finance and Business Improvement / S151 Officer
Crime and Disorder	No impact.	Director of Finance and Business Improvement / S151 Officer
Procurement	Systems upgrades will be procured in line with financial procedure rules.	Director of Finance and Business Improvement / S151 Officer
Biodiversity and Climate Change	The implications of this report on biodiversity and climate change have been considered and in keeping with Action 2.2 additional information and support to 'Promote access to schemes to residents, landlords and housing associations, for retrofitting insulation to existing homes including ECO3, LA Flex and the Green Homes Grant Scheme' aligns with this report.	Biodiversity and Climate Change Manager

2. INTRODUCTION AND BACKGROUND

2.1 From 1 April 2022, households are entitled to a non-repayable energy rebate payment of £150, known as the Council Tax Rebate, to a liable council tax payer (or 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 :

- i. It is valued in council tax bands A to 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;
- ii. It is someone's sole or main residence;
- iii. It is a chargeable dwelling, or in exemption classes N, S, U or W*

2.2 This payment is designed to support households with the costs of their energy utilities. To be entitled to the payment the following eligibility rules must also be met.

- Where the council is aware that the liable council tax payer does not occupy the property, they will not be eligible.
- Where a property is in exemption classes N (other than HMOs for council tax purposes), S, U or W and the council is able to contact an occupant, the occupant will be eligible for support.
- A property that meets all the criteria, but has a nil council tax liability as a result of local council tax support, will be eligible.
- A property that has no permanent resident and is someone's second home will not be eligible.
- An unoccupied property (for the purposes of calculating council tax) will not be eligible.

2.3 The mandatory scheme will run from 1 April 2022 to 30 September 2022. Such payments will be referred to, for the purposes of this report, as 'main scheme' payments.

2.4 In addition to the 'main scheme', each council is required to have a discretionary scheme for energy bill payers who are not eligible under the terms of the core scheme, or to provide targeted 'top-up' payments to the most vulnerable households in bands A to D. This scheme is called the Discretionary Fund. This fund will run until 30 November 2022, or until funds are exhausted, whichever is the earlier. Maidstone Borough Council has been allocated £396,300 for its Discretionary Fund.

2.5 The options for targeting support towards the most vulnerable within the area, using readily available data and so enabling a scheme to be established and implemented promptly, are as follows:

	Client group	Amount of award	For	Against
1	Council Tax Support claimants in Council Tax bands E to H, as at 02.04.22	£150	<ul style="list-style-type: none"> • Easily identifiable • Helps those not receiving help via main scheme • Aligns with 'targeting support at the most vulnerable' 	
2	All those in receipt of a disabled band reduction on council	£150	<ul style="list-style-type: none"> • Easily identifiable • Helps those 	

	tax, in Bands F to H		<p>not receiving help via main scheme</p> <ul style="list-style-type: none"> Aligns with 'targeting support at the most vulnerable' 	
3	All those in receipt of CTS, in council tax bands A to D, to receive a 'top-up' award, to supplement their main scheme award.	Variable (to be decided – see options below)	<ul style="list-style-type: none"> Easily identifiable Aligns with targeting support at the most vulnerable 	<ul style="list-style-type: none"> Depending on budget, award may be so small as to make little difference to people Award value may mean budget exceeded

2.6 Given the available funding of £396,300, the following table sets out which options are feasible using red/amber/green scores.

Option and description	Cost	Notes
1. Pay all CTS households in Bands E - H £150, and top up CTS Bands A - D by £50	£530,450	
2. Pay all CTS households in Bands E - H £150 and top up CTS Bands A - D by £40	£439,930	
3. Pay all CTS households in Bands E - H £150, and top up CTS Bands A -D by £35	£394,670	
4. Pay all CTS households in Bands E - H £150, and top up CTS Bands A -D by £30	£349,410	It could be argued that £30 is too little to make any difference
5. Pay all households with a disabled persons reduction in Bands F - H on council tax, £150	£15,000	
6. Pay all CTS households in Bands E - H £150 and award the remaining funding through an application process	£77,850	Large amount of unspent funds left 'pending'

2.7 It is recommended that to provide funding to those most in need in a timely manner the following approach is adopted.

	£	Number of payments
Pay all CTS households in Bands E - H £150	77,850	519
Top up CTS Bands A -D by £30	271,560	9,052
	<hr/>	
Sub-total – corresponds to option 4 above	349,410	
Pay all households with a disabled persons reduction in Bands F - H on council tax, £150	15,000	100
Use Hardship Support Fund to distribute balance of funding on a discretionary basis	31,890	
	<hr/>	
	£396,300	
	<hr/>	

If possible, the additional £30 for Council Tax payers in bands A-D will be paid at the same time as the £150 to which they are already entitled under the mandatory scheme.

3. AVAILABLE OPTIONS

- 3.1 Option 1 - Adopt the proposal set out in this report.
- 3.2 Option 2 - The discretionary scheme could be designed to only provide support through an application process. However, this would be likely to lead to funding not being awarded in a timely manner and the full allocation may not be used.

4. RISK

- 4.1 We are satisfied that the risks associated with this approach are within the Council's risk appetite and will be managed as per the risk management policy.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 Due to the timescales required for implementing the scheme it has not been practical to carry out a full consultation. Informal consultation on the scheme has taken place with leading members.
- 5.2 The scheme complements an initiative carried out earlier this year on behalf of Kent County Council to provide vouchers worth £49 each (£30 with effect from 1 April 2022) to residents on pre-payment meters, who are often those most vulnerable to fuel poverty. Revenues & Benefits identified 1,398 residents and distributed 3,182 vouchers, worth £65,272.
-

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 The scheme will be implemented as soon as possible after making the decision recommended in this report.
-

7. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix A: Draft Discretionary Rebate Scheme

8. BACKGROUND PAPERS

None