

Council Tax Rebate and Discretionary Fund

Report to Executive



DATE	6 April 2022
PORTFOLIO	Resources & Performance Management
REPORT AUTHOR	Howard Hamilton-Smith
TEL NO	01282 477173
EMAIL	Hhamilton-smith@burnley.gov.uk

PURPOSE

1. The purpose of the report is to propose a scheme for the Council Tax Rebate and Discretionary Fund.

RECOMMENDATION

2. It is recommended that the Executive:
 - a) Approves the eligibility criteria as set out in this report.
 - b) Delegates authority to the Head of Finance and Property to waive standing orders and negotiate terms for the administration of the scheme.
 - c) Recommend to Full Council, approval for a budget of £113,585 to fund the administration of the scheme, which will be met from new burdens funding.
 - d) Delegates authority to Head of Finance and Property in consultation with the Executive Member for Resources and Performance Management to agree any amendments to the discretionary scheme criteria.

REASONS FOR RECOMMENDATION

3. The Government announced a package of support to help households with rising energy bills which the Council, as billing authority, has been asked to administer on its behalf.

SUMMARY OF KEY POINTS

4. On 3 February 2022 the Government announced a package of support known as the Energy Bills Rebate to help households with rising 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.

5. The support that the Council has been asked to administer is:
6. A £150 non-repayable rebate for households in England in council tax bands A to D, known as the Council Tax Rebate.
7. 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.

Council Tax Rebate Scheme

8. The Government has allocated £5,806,950 for this scheme.
9. This support is to provide some immediate relief for rising energy costs, while targeting those most likely to require support, 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:
 - a) 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,
 - b) It is someone's sole or main residence,
 - c) It is a chargeable dwelling, or in exemption classes N, S, U or W*, and
 - d) 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.
10. This means that:
 - a) 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.
 - b) A property that has no permanent resident and is someone's second home will not be eligible.
 - c) An unoccupied property (for the purposes of calculating council tax) will not be eligible.
11. Where eligible council tax payers currently pay their council tax bills by direct debit the Council is not required by the Government to undertake any prepayment checks. However, they have suggested that billing authorities wait until the direct debit payment for April has been received and cleared prior to making the £150 grant payments. This is to reduce the number of payments that will be subject to clawback. Grant payments will be released to eligible households in batches during April and early May, depending on the direct debit payment date of the eligible council tax payer.
12. For all other eligible council tax payers they will be required to submit a claim for the £150 grant payment and provide the Council with the information required to enable payment to be made. The Government has mandated that these payments will be subject to pre-payment checks through the Government's Spotlight portal. Grant payments will be made to eligible council tax payers once all pre-payment checks have been undertaken. Where

eligible council tax payers have not submitted the information required to enable grant payment to be made the £150 will be credited to their council tax account.

Discretionary Fund

13. The Government has allocated £263,100 to fund this scheme.
14. It has recognised that billing authorities may also wish to provide support to other energy bill payers who are not eligible under the terms of Council Tax Rebate scheme and provide some immediate relief for rising energy costs, while targeting those most likely to require support.
15. It is proposed that the Council provides one-off grants under this scheme for the following households:
 - a. Where the property occupied is valued in council tax bands E to H and the council tax payer is in receipt of Council Tax Support. A £150 one-off payment will be made to the liable council tax payer;
 - b. Where the property occupied is valued in council tax bands A to D and the council tax payer is in receipt of Council Tax Support. A £20 one-off 'top-up' payment will be made to the liable council tax payer; or
 - c. Where the property occupied is a house in multiple occupation, sheltered accommodation or other property (excluding student halls), where the tenant is not liable for council tax and where energy costs are included in the rent payable to the landlord (i.e. the landlord is responsible for council tax and energy bills). A copy of a secured tenancy agreement will be required as evidence of eligibility. A £50 one-off payment will be made to the liable rent payer where they are in receipt of one of the following benefits:
 - Universal Credit;
 - Working Tax Credit;
 - Income-based Employment and Support Allowance;
 - Income-based Jobseeker's Allowance;
 - Income Support;
 - Housing Benefit; or
 - Pension Credit.
16. Payment of grants under this scheme will be subject to the same terms identified in paragraphs 11 and 12 above.
17. The application window for the Discretionary Fund will close on the 30 June 2022 or earlier if the funding has been fully utilised.

Scheme Administration

18. The schemes will be administered by the Council's strategic partner, Liberata, as they currently provide the council tax service on behalf of the Council. On this basis, an approval is requested to waive standing orders as the contract value is in excess of £100k. The Government are in the process of calculating the amount of new burdens funding that will be due to the Council to undertake this work and it is anticipated that the funding will cover Liberata's costs.

19. Liberata are currently working with their software provider and the Council to provide a solution that will enable the timely payment of the grants and deal with grant claims whilst ensuring that the Council meets the verification requirements of the Government.
20. Officers will continue to work with Liberata to test the systems prior to implementation and amend any processes as required whilst taking into account changes to Government guidance.
21. The Council's schemes are contained within Appendix 1.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

22. As set out in the body of the report and appendix 1.

POLICY IMPLICATIONS

23. None

DETAILS OF CONSULTATION

24. None

BACKGROUND PAPERS

25. None

FURTHER INFORMATION

PLEASE CONTACT:

**Howard Hamilton-Smith – Head of Finance
and Property**

ALSO:

Amy Johnson – Finance Manager