

	Cabinet 7 March 2022
	Report from the Strategic Director of Customer and Digital Services
Energy Rebate – Non-Discretionary and Discretionary Scheme	

Wards Affected:	All
Key or Non-Key Decision:	Key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	None
Background Papers:	Council tax Information Letter: 4/2022: Council Tax information letter - 15 February 2022 (publishing.service.gov.uk) Regulation: The Council Tax (Demand Notices and Reduction Schemes) (England) (Amendment) Regulations 2022 (legislation.gov.uk) Government Guidance: Support for energy bills - the council tax rebate 2022-23: billing authority guidance - GOV.UK (www.gov.uk) Funding allocation method: Council tax rebate: allocation methods - GOV.UK (www.gov.uk)
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1.0 Purpose of the Report

- 1.1 The government announcement of 3 February 2022 regarding Energy Bills Rebate included provision for most properties in council tax bands A to D to receive a £150 rebate payment. The announcement also made provision for local authorities to create a discretionary scheme to support some properties in bands E to H. The report provides information on the operation of the non-discretionary scheme and proposes a discretionary scheme. Government guidance was received on 23 February 2022. A required amendment to disregard Energy Rebate income in the Council's Council Tax Reduction scheme was approved by Full Council at its meeting on 24 February 2022.

2.0 Recommendation(s)

- 2.1 That Cabinet approves the Energy Rebate Discretionary Scheme as set out in paragraphs 3.17 to 3.20 of this report, which includes the arrangements for residents who live in a dwelling in Council Tax bands E, F, G and H in the borough of Brent.
- 2.2 That Cabinet notes that the Energy Rebate non-discretionary scheme will be administered in accordance with government guidance issued in February 2022.
- 2.3 That Cabinet notes the restrictions of the Energy Rebate Discretionary Scheme regarding payments and unspent funding that are set out in paragraph 3.21 of this report.
- 2.4 That Cabinet agrees to delegate authority to the Strategic Director of Customer and Digital Services, in consultation with the Lead Member for Housing and Welfare Reform, to make changes that may be required to the discretionary scheme, following a review of the discretionary scheme scheduled to immediately follow phase 2 of the said scheme, as described in paragraph 3.16 (ii) of this report.

3.0 Detail

Operation of Non-Discretionary Scheme

- 3.1 In the government guidance dated 23 February 2022 and entitled “*Support for energy bills – the council tax rebate 2022-23: billing authority guidance*” (hereafter referred to as “the February 2022 Government Guidance”), the government states that it recognises that many households will need support to deal with the rising cost of household bills in 2022-23. The government also state that 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. Nevertheless, the government scheme in providing blanket support for properties in bands A to D does not account for regional variations, for example Brent has 75% of properties in bands A to D compared to some northern cities with over 90%, the government scheme therefore supports many fewer households in Brent.

Qualifying Rules

- 3.2 The requirements placed on billing authorities such as Brent, is to provide a £150 one-off payment to a liable council taxpayer (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:
 - i. It is valued 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,
 - ii. It is someone’s sole or main residence,

- iii. It is a chargeable dwelling, or in exemption classes N (wholly occupied by students, S (occupants under 18, U (occupants severely mentally impaired) or W (granny annexe); and
- iv. 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.

3.3 A property that meets all the criteria, but has a nil council tax liability because of local council tax support, will be eligible.

3.4 Those not eligible are:

- i. A property that has no permanent resident and is someone's second home will not be eligible,
- ii. An unoccupied property (for the purposes of calculating council tax) will not be eligible.

3.5 Where records relating to the taxpayer(s) circumstances in respect of 1 April 2022 are later updated, the Council should take reasonable steps to pay or clawback payments.

3.6 Where the property band recorded on a valuation list is amended retrospectively to 1 April 2022, for example as a result of a successful appeal made to the Valuation Office Agency ('VOA') that concluded after 1 April 2022, the Council is not required to pay or clawback payments. The exception is where a property is a new build and awaiting an official banding from the VOA. In these cases, eligibility should be determined based on the official band subsequently allocated by the VOA, where this has an effective date before or on 1 April 2022.

3.7 Any disputes about council tax banding are dealt with by the VOA's usual process for reviews, proposals and appeals.

Communication

3.8 Clear and timely information about the Energy Rebate will be provided. For the majority of tax payers this will include a message on bills in bands A to D.

3.9 A government provided leaflet about the Energy Rebate will be sent with every paper bill. For those on paperless billing they will be signposted to a digital version.

3.10 It is expected from 7 March 2022, there will be a web page dedicated to the Fuel Rebate scheme on the Council website.

Payments, where live direct debit details are held

3.11 Payments should be provided directly by the Council to eligible households. Only one £150 payment should be made per household, regardless of the number of occupants or liable council taxpayers.

- 3.12 For Direct Debit payers, the Energy Rebate will be paid as soon as practical in 2022/23:
- i. Including to the account holder where there jointly and severally liable parties,
 - ii. As far as is possible, the Council will exclude any direct debits from automated payments where the name on the bank details do not match a liable party,
 - iii. Through the website it will be made clear to recipients that the grant is being provided on the assumption that they were a liable council tax payer (or would have been if the property were not exempt, as in 3.2 above) and that if this is not the case, the grant may be liable for recovery. It will also be stated that the that the grant is being provided to support all residents of the household,
 - iv. Payments will only be made after the first direct debit of 2022/23 has been taken. This means that some will not receive the payment until after 1 May 2022, and
 - v. Newly provided or amended direct debt mandates will be checked to reduce the risk of mandate fraud.

Where no bank details are held

- 3.13 The work to maximise take-up of the Energy Rebate will be a significant task that will require more resources. This is because a majority of tax payers in bands A to D do not pay by direct debit. Of the 97,000 properties likely to be eligible in bands A to D, 55,000 (59%) do not pay by direct debit. Given that the taxpayer is required by the the February 2022 Government Guidance to claim their Energy Rebate, the payment of these grants represents a significant effort. Although a taxpayer may opt to have the £150 simply credited to their account, the Council cannot automate this, as each taxpayer will need to inform the Council of their preference.
- 3.14 The government will provide new burdens funding for the administration but so far, the amount has not been disclosed.
- 3.15 The process for this category of council taxpayer will be to encourage them to make a claim to receive their Energy Rebate. This will involve completing an online form and self-certifying that they are eligible. This will be done in 3 phases, based on the need to complete all payments by 30 September 2022, and maximising the use of a self-service online form in the first two phases. In addition, it will be made clear to anyone who provides false information or makes false representation in order to benefit from the Energy Rebate or Discretionary Fund may be guilty of fraud under the Fraud Act 2006. Where a claim is made this will be made clear.
- 3.16 Pre-payment checks will be made before a grant to anyone who is not a live direct debit holder. Records will be kept of any evidence provided and of all pre-payment checks completed.
- i. Phase 1: to the end of June 2022

- a. Making residents aware of the scheme through a press release and the establishment of a dedicated web page
- b. A campaign to contact them by email and text.
- c. Residents landing on the webpage will be encouraged to provide their bank details so that payment can be made to them direct, or to choose that their council tax account be credited.
- ii. Phase 2: July and 19 August 2022
 - a. Sending follow up text and emails to promote use of online self-service
 - b. Issue a leaflet to households detailing the support that is available
 - c. Follow up media story
- iii. Phase 3: 20 August to 20 September 2022
 - a. Sending hard copy letters to encourage taxpayers to come forward, which will include how to receive in-person support from customer services at the Civic Centre or from the Council's HUB network where guided support can be provided for the digitally excluded.
 - b. To make outbound calling that will include guided support
 - c. To permit taxpayers to make their claim over the telephone with the form being completed by the Council.

Energy Rebate Discretionary Scheme

3.17 The government have provided funding of £1,933,800 allowing the Council to establish a scheme to support bill payers not eligible under the main scheme for properties in bands A to D. The February 2022 Government Guidance states that the discretionary scheme should not be paying more than £150 per household. There are currently 31,912 occupied properties in bands E to H.

3.18 The Council's Energy Rebate Discretionary Scheme will:

- i. Provide £150 Energy Grant to all those in properties E to H who are also in receipt of Council Tax Support (CTS) during April 2022 as long as they have not received a grant elsewhere. This is currently 3,591 properties,
- ii. Provide £150 to those on other income related state benefits during April 2022 but are not in receipt of CTS,
- iii. Those applying for welfare support from the Council where fuel poverty is proven, access will be provided to an Energy Rebate, this may be standalone or alongside a welfare support payment (Resident Support Fund),
- iv. Promote applications from tax payers in bands E to H who have accumulated arrears in council tax over the last two years,
- v. Where a review, proposal or appeal pre-dating the announcement on 3 February 2022 is successful after 1 April 2022 and as a result, a property would have been eligible for the non-discretionary or discretionary rebate they will be eligible for the discretionary scheme, and
- vi. Following completion of phase two (as described above in paragraph 3.16(ii) of this report), a review will be carried out to ensure that support to residents is being maximised.

3.19 The scheme will be publicised online and elsewhere in a similar way to the non-discretionary scheme, see 3.8 to 3.10 above. In addition, following phase 2 a

review will be carried out to ensure that the discretionary scheme is delivering the expected expenditure and if required, amendments to the discretionary scheme may be made before 20 September 2022 to increase take-up. If this is required, the Strategic Director will give necessary due consideration and where appropriate, exercise his delegated authority to approve the required changes in consultation with the Lead Member for Housing and Welfare Reform, if the recommendation in paragraph 2.4 of this report is approved by the Cabinet.

- 3.20 The checking and payment process will mirror that for the Non-Discretionary Scheme with those applying required to claim via an on-line form, except where CTS recipients pay by direct debit, of which there are currently 1,092 or 32%.
- 3.21 The last payment of the Energy Rebate under the non-discretionary scheme must be made by 30 September 2022 and following a reconciliation process, under-funding for the non-discretionary scheme will be settled by the government. For the discretionary scheme, any funding unspent by 30 November 2022 will be repaid to the government and in the event of an overspend, no additional funding will be provided. Therefore, expenditure is to be limited to the funding provided by government.

4.0 Financial Implications

- 4.1 The government will provide a grant to Brent to cover the £150 Energy Grants paid to Band A-D households under the non-discretionary scheme as long as they are paid by 30th September 2022 and meet the qualifying rules. It is estimated that the total amount paid could be up to £14.5m at full take-up. An additional New Burdens Grant will also be paid for the administration costs if conditions are met. The amount available to Brent has not been notified.
- 4.2 The Council is proposing to pay Band E–H households in receipt of CTS, or on welfare support, a £150 Energy Grant under a discretionary scheme which will also be funded by a government grant, up to a limit of £1.9m, if paid before 30 September 2022.
- 4.3 Checks will be carried out prior to payments being made, on both schemes, to reduce the possibility of fraud.

5.0 Legal Implications

- 5.1 This report seeks the Cabinet's approval of the Council's Energy Rebate Discretionary Scheme as set out in paragraphs 3.17 to 3.20 of this report. Government has provided guidance entitled "*Support for energy bills – the council tax rebate 2022-23: billing authority guidance*" (hereafter referred to as the "February 2022 Government Guidance") which was issued on 23 February 2022 and that February 2022 Government Guidance covers, amongst other things, the operation and delivery of the Discretionary Fund, which consists of financial support which will be provided by central government to local billing authorities to support households who are in need but are not eligible for the Council Tax Rebate. Paragraph 38 of the February 2022 Government Guidance states that once the discretionary scheme is determined and approved where

considered appropriate by elected members, councils should publish their agreed guidelines setting out the eligibility criteria for the their scheme to deal with the money it receives from government to operate and deliver the Discretionary Fund.

5.2 The Council Tax (Demand Notices and Reduction Schemes) (England) (Amendment) Regulations 2022, which came into force on 12 February 2022, set out what additional information must be set out in Council Tax demand notices and set out additional prescribed requirements for Council Tax Reduction schemes. Council tax demand notices issued respect of 1 April 2022 to households in bands A-D will be required to include the following statement on the face of the bill “*The Government is providing a £150 one-off Energy Bills Rebate for most households in council tax bands A-D*”. The above-mentioned regulations also require that from 1 April 2022 all local council tax reduction schemes (including those for persons of working age as well as those of pension age) must disregard Energy Bills Rebate payments in determining a person’s eligibility for a council tax reduction and the amount of any such reduction. The Council’s Council Tax Reduction was amended by Full Council at its meeting on 24 February 2022 to cover this requirement.

5.3 The remaining legal implications are covered in the main body of the report.

6.0 Equality Implications

6.1 The public sector equality duty requires public bodies to pay due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010;
- advance equality of opportunity between people who share a protected characteristic and those who do not;
- foster good relations between people who share a protected characteristic and those who do not

6.2 The Equality Act 2010 and the Public Sector Equality Duty (outlined above) cover the following nine protected characteristics: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.

6.3 The implementation here is of a scheme designed by government that the Council is required to implement. The government scheme is not universal and excludes properties in the bands E to H, which are the larger properties. Government have provided funding for the Council to establish a discretionary scheme, described above, that seeks to provide support of the same value to the least well off households in bands E to H.

7.0 Consultation with Ward Members and Stakeholders

7.1 The changes required by this report have not been subject to consultation due to the short timescale, the short notice given by central government and the statutory nature of the requirements and changes made by central government.

8.0 Human Resources/Property Implications (if appropriate)

8.1 Additional temporary human resources will be required.

Report sign off:

Peter Gadsdon

Strategic Director of Customer and
Digital Services.