

Report To: Cabinet

Date of Meeting: 6 June 2022

Report Title: Discretionary Council Tax (Energy) Rebate Scheme

Report By: Peter Grace (Chief Finance Officer)
Buki Adekoya (Revenues and Benefits - Recovery Project Manager)

Key Decision: Yes

Classification: Open

Purpose of Report

To determine a discretionary scheme that will assist, in the first instance, those who have not been eligible for a £150 energy assistance payment under the government's mandatory Council Tax rebate scheme.

Recommendations

1. To agree the scheme proposed in Appendix 1
2. To delegate authority to the Chief Finance Officer in consultation with the Managing Director and lead Councillor for Finance to amend the scheme from 1 August 2022 to ensure any remaining government funding is fully distributed by 30 November 2022.
3. To accept donations from anyone wishing to add to this fund – that will seek to assist those eligible residents least able to afford the large increases in energy costs.

Reasons for Recommendations

1. The agree a discretionary scheme for qualifying vulnerable households that will support those that have missed out on the £150 payment under the government's mandatory scheme, and that are most in need with the rapidly rising energy costs.

Introduction

1. The purpose of this policy is to determine the eligibility for a payment under the Council's Discretionary Council Tax (Energy) Rebate Scheme.
2. The Government announced on 3 February 2022 that it would provide funding for billing authorities to give all households in England, whose primary residence is valued in council tax bands A – D, a one-off payment of £150 from April 2022 to assist with the rise in energy costs (the Mandatory Scheme). The Government also announced that it would be providing funding for billing authorities, such as Hastings Borough Council, to operate a cash limited discretionary fund for households in need, who would not otherwise be eligible.
3. The Government has determined that individual Councils can decide locally the eligibility and award criteria. They have advised that this could include, for example, individuals on low incomes who live in properties valued in bands E – H. The government have also stated that occupants of Class M (student halls) are unlikely to be eligible for discretionary support unless they are exposed to rising energy prices in a similar way to other households and discretionary support should NOT be offered to occupants of property in exemption Class O, where the ministry of defence will provide cost of living support.
4. This rebate will only apply to a household that occupies a property which meets all of the scheme's criteria on 1 April 2022.
5. The government have set council's a deadline to ensure all payments (from government funding) are made by 30 November 2022.

Funding

6. The government have provided funding amounting to £258,750 for the discretionary scheme.
7. The Council will accept donations from anyone who wishes to do so and will use these donated funds to help those who meet the eligibility and award criteria detailed in the scheme and any future amendments to it that provide financial assistance to those struggling to meet energy costs within the borough. The use of any donated monies will follow the use of the government funding and the allocation of these monies could extend beyond the 30 November 2022 deadline.

Eligibility criteria & Award level

8. The Council will make a single one-off payment of £150 which will be made provided the household has their sole or main residence in a dwelling and the following conditions are met:

(a) The household is liable for Council tax and resides in a dwelling with a Council Tax band of E-H,

or

the household is not liable for Council Tax and resides in a dwelling with a Council Tax band of A-D but is responsible for energy bills, and Applicants must be over the age of 18 and be resident in the borough, and

In receipt of one of the following means tested benefits –

- a. Universal Credit
- b. Housing Benefit
- c. Pension Credit
- d. Council Tax Reduction
- e. Working Tax Credit
- f. Income Support
- g. Income Based Job-Seeker's Allowance
- h. Income-related Employment and Support Allowance

Or, is not on those benefits but has net income of not more than £257.69 pw for a single person or £384.62pw for a couple and has capital of no more than £6,000.

9. There will be an application process, either using Ascendant (external system used for mandatory scheme) or an in-house application system if timescales /cost/complexity are prohibitive with the Ascendant system.
10. There are some 57 properties in band E to H where residents claim Council tax reduction. The numbers claiming other means tested benefits are not known. Likewise the numbers of residents , who do not pay Council Tax in the borough but are responsible for energy bills is not known. Hence flexibility, in terms of delegated authority, is sought to amend the scheme, if necessary, after August 2022 should the take up of the scheme make it look likely that not all funds would be distributed by the 30 November 2022.
11. The Council will receive new burdens funding from the government for the management of the mandatory and discretionary schemes. This money will be used to back fill some staff time. The various grant schemes are however impacting on the Revenues and Benefits teams and creating backlogs of work and delaying the start dates of other projects.

Anti-Poverty

12. The distribution of grants under this scheme is part of a package of measures that is aimed at assisting the most vulnerable households in the borough and those on means tested benefits or low incomes (where benefits are not claimed).

Wards Affected

All

Policy Implications

Equalities and Community Cohesiveness	No
Crime and Fear of Crime (Section 17)	No
Risk Management	No
Environmental Issues & Climate Change	No
Economic/Financial Implications	Yes
Human Rights Act	No
Organisational Consequences	No
Local People's Views	No
Anti-Poverty	Yes
Legal	No

Additional Information

Appendix 1 – **Discretionary Council Tax (Energy) Rebate Scheme**

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HASTINGS BOROUGH COUNCIL

Discretionary Council Tax (Energy) Rebate Scheme

2022-23

Contents

Definitions

1. Purpose of the scheme and Background
2. Funding
3. Eligibility Criteria and Awards
4. Effective Date
5. Alterations to Liability or Council Tax Band
6. Eligibility Disputes
7. How the Council Tax (Energy) Rebate will be paid
8. If you do not pay Council Tax by Direct Debit
9. Completion by online form to claim
10. Provision of Information to the Council
11. Scheme of Delegation
12. Notification of Decisions
13. Review of Decisions
14. Complaints
15. Taxation and provision of information to Her Majesty's Revenues and Customs (HMRC)
16. Managing the Risk of Fraud
17. Recovery of Amounts Incorrectly Paid
18. Data protection and Use of Data

Definitions

The following definitions are used within this document:

‘Chargeable Dwelling’; means any dwelling that appears on the Council’s Council Tax Valuation List on 1 April 2022;

‘Council Tax Exemption or Exempt Dwelling’; means any chargeable dwelling which is determined by the Council as exempt from Council Tax as prescribed by the Council Tax (Exempt Dwellings) Order 1992 as amended;

‘Council Tax Rebate (Energy) Scheme or Mandatory Scheme’; means the scheme announced by the Secretary of State for Levelling Up, Housing and Communities on 3 February 2022 as part of a package of support for rising energy costs;

‘Council Tax Payer or Liable Person’; means the liable person determined by the Council as being responsible for Council Tax under section 6 of the Local Government Finance Act 1992;

‘Council Tax Reduction (or Support)’; means any entitlement awarded under section 13A 1(A) of the Local Government Finance Act 1992;

‘Discretionary Scheme or Fund’; means the scheme determined by the Council in line with the guidance issued by the Department for Levelling Up, Housing and Communities announced on 3 February 2022;

‘Effective Date’ ; means the effective date of this scheme. The effective date shall be the situation as at the end of the day on 1 April 2022

‘Empty Dwelling (or premises)’; means any dwelling that is not deemed to be the sole or main residence of a person and are substantially unfurnished;

‘Liability for Owner’; means any dwelling determined to fall within the Council Tax (Liability for Owners) Regulations 1992, for example, House in Multiple Occupation or Residential Care homes;

‘Mandatory Scheme’; means the scheme determined by Government in line with the guidance issued by the Department for Levelling Up, Housing and Communities announced on 3 February 2022;

‘Second Home’; means any dwelling not deemed to be the sole or main residence of the liable person and which is furnished as defined by the Council Tax (Prescribed Class of Dwellings) (England) Regulations 2003 as amended; and

‘Sole or main residence’; means the dwelling determined by the Council to be the sole or main residence of a person.

1. Purpose of the Scheme and Background

- 1.1 The purpose of this policy is to determine the eligibility for a payment under the Council's Discretionary Council Tax (Energy) Rebate Scheme.
- 1.2 The Government announced on 3 February 2022 that it will provide funding for billing authorities to give all households in England, whose primary residence is valued in council tax bands A – D, a one-off payment of £150 from April 2022 to assist with the rise in energy costs (the Mandatory Scheme).
- 1.3 The Government also announced that it would be providing funding for billing authorities, such as Hastings Borough Council, to operate a cash limited **discretionary fund** for households in need, who would not otherwise be eligible.
- 1.4 The Government has determined that individual Councils can decide locally the eligibility and award criteria. They have advised that this could include, for example, individuals on low incomes who live in properties valued in bands E – H. The government have also stated that occupants of Class M (student halls) are unlikely to be eligible for discretionary support unless they are exposed to rising energy prices in a similar way to other households and discretionary support should NOT be offered to occupants of property in exemption Class O, where the ministry of defence will provide cost of living support.
- 1.5 This rebate will only apply to a household that occupies a property which meets all of the criteria in the scheme on 1 April 2022.
- 1.6 The government have set council's a deadline to ensure all payments (from government funding) are made by 30 November 2022.

2. Funding

- 2.1 The government have provided funding amounting to £258,750 for the discretionary scheme.
- 2.2 The Council will accept donations from anyone who wishes to do and will use these donated funds to provide assistance to those who meet the eligibility and award criteria detailed in the scheme and any future amendments to it that provide financial assistance to those struggling to meet energy costs within the borough. The use of any donated monies will follow the use of the government funding and the allocation of these monies could extend beyond the 30 November 2022 deadline.

3. Eligibility Criteria and Awards

- 3.1 The Council will make a single one-off payment of £150 which will be made provided the household has their sole or main residence in a dwelling and the following conditions are met:

a) The household is liable for Council tax and resides in a dwelling with a Council Tax band of E-H, or the household is not liable for Council Tax and resides in a dwelling with a Council tax band of A-D but is responsible for energy bills, and is either:

(i) in receipt of one of the following means tested benefits

- a. Universal Credit
- b. Housing Benefit
- c. Pension Credit
- d. Council Tax Reduction
- e. Working Tax Credit
- f. Income Support
- g. Income Based Job-Seeker's Allowance
- h. Income-related Employment and Support Allowance

Or

(ii) is not on those benefits but has net income of not more than £257.69 pw for a single person or £384.62pw for a couple and has capital of no more than £6,000.

For the purpose of this scheme,

(i) Capital shall be calculated based on the Housing benefit regulations.

(ii) A household is a person or group of persons occupying a single dwelling, as defined in section 3 of the local Government Finance Act 1992. No award will be made for any unoccupied premises or second homes.

Public organisations cannot apply; this includes government departments, legislative bodies, and the armed forces.

4. Effective Date

4.1 The effective date for the scheme is 1 April 2022. The Council will determine eligibility based on the position at the end of that day.

5. Alterations to Liability or the Council Tax Band

5.1 Where the Council has reason to believe that the information they hold about the valuation list, liable taxpayer(s), or residents' circumstances in respect of 1 April 2022 is inaccurate, it will withhold the payment and take reasonable steps to determine the correct information.

5.2 Where records relating to the liable taxpayer (s) or the residents' circumstance in respect of 1 April 2022 are retrospectively updated, the Council will take reasonable steps to either pay the discretionary award or potentially reclaim any payment made.

5.3 In any case, where the Council; tax band of the chargeable dwelling is amended retrospectively after 1 April 2022, for example where a successful appeal is made to

the Valuation Office Agency (VOA) that concluded after this date, the council is not required either to pay any discretionary award or to reclaim any payment made.

6. Eligibility Disputes

- 6.1 The decision of the Council on any eligibility dispute shall be final. Should any taxpayer feel aggrieved by any decision, then matters will be dealt with through the Council's complaints procedure. Full details are available on the Council's website.

7. How the Council Tax (Energy) Rebate will be paid

- 7.1 Where the Council determines that all of the eligibility criteria are met in full, payment will be made to the household as defined within Section 3 above. It should be noted that only one discretionary payment will be made per household, regardless of the number of occupants or liable Council Taxpayers.
- 7.2 In all cases an application will be required from household who meet the eligibility conditions. Details on how to claim are available on the Council's website.
- 7.3 Where bank details are provided as part of the application process, the Council is required to verify that the bank details held are those of the eligible household and where multiple residents of an eligible household are jointly and severally liable for Council Tax, the full payment will be made to the account for which the direct debit is held only. Payment of the award, however, is for the benefit of the household as a whole.
- 7.4 No payment will be made where the name on the bank details does not match a liable party. Should the Council require additional information in order to establish the correct person to receive the payment, it is expected that the household provides all necessary details as soon as possible. Further details of how this request will be made and responsibilities to supply such information are detailed below.
- 7.5 In all cases the Council must ensure that payments are made correctly and where appropriate, require household to verify that they are eligible for the payment. Where no such verification can be made or where a household fails to respond to the Council's request, no payment whatsoever shall be made.

8. If you do not pay Council Tax by Direct Debit

- 8.1 Where the household pays by Direct Debit, the billing authority is expected to pay the £150 directly into the bank account in use. People who do not currently pay by Direct Debit will continue to be encouraged to do so to ensure they receive the £150 at the earliest opportunity.
- 8.2 The Council will not be offering payment by cheque but may look to pay via a Post Office (should the system to do so be in place and be sufficiently secure). As a final option, where the recipient may not have a bank account, the Council will credit the

applicant's Council Tax account.

9. Completion by online form to claim

- 9.1 The Council will only accept applications made electronically, as we are using dedicated systems to perform our pre-payment checks.

10. Provision of Information to the Council

- 10.1 Residents, owners and managing agents should note that the Council has powers available to it under Regulation 3 (1) (c) of the Council Tax (administration and enforcement) Regulations 1992, to request such information to determine the correct liable person for Council Tax purposes. The government have stated that these powers may also be used for Council Tax Rebate purposes.
- 10.2 Failure to respond to such a request, without a reasonable excuse, within 21 days could lead to penalties being imposed. The Council therefore encourages all such persons to provide any requested information as soon as possible.

11. Scheme of Delegation

- 11.1 The Council has approved this scheme.
- 11.2 Officers of the Council will administer the scheme, and the Section 151 Officer is authorised to make technical scheme amendments to ensure it meets the criteria set by the Council and in line with government guidance and will determine the final distribution of any remaining monies. In the absence of the Chief Finance Officer the Managing Director will be so authorised.

12. Notification of Decisions

- 12.1 Applications will be considered on behalf of the Council by the Revenues and Benefits Service.
- 12.2 All decisions made shall be notified to the applicant either in writing or by email.

13. Review of Decisions

- 13.1 The Council will operate an internal review process and will accept an applicant's request for a review of its decision.
- 13.2 All such requests must be made in writing to the Council within 7 days of the Council's decision and should state the reasons why the applicant is aggrieved with the decision of the Council. New information may be submitted at this stage to support the applicant's appeal.

13.3 The application will be reconsidered by a senior officer, as soon as practicable, and the applicant informed in writing or by email of the decision. That decision shall be final.

14. Complaints

14.1 The Council's 'Complaints Procedure' (available on the Council's website) will be applied in the event of any complaint received about this scheme.

15. Taxation and the provision of information to Her Majesty's Revenues and Customs (HMRC)

15.1 The Council does not accept any responsibility in relation to an applicant's tax liabilities and all applicants should make their own enquiries to establish any tax position.

16. Managing the Risk of Fraud

16.1 Neither the Council, nor government, will accept deliberate manipulation of the schemes or fraud. Any applicant caught falsifying information to gain grant money will face prosecution and any funding issued will be recovered from them.

17. Recovery of Amounts Incorrectly Paid

17.1 If it is established that any award has been made incorrectly due to error, misrepresentation or incorrect information provided to the Council by an applicant or their representative(s), the Council will look to recover the amount in full.

18. Data Protection and Use of Data

18.1 All information and data provided by applicants shall be dealt with in accordance with the Council's Data Protection policy and Privacy Notices which are available on the Council's website.

18.2 Applicants should note that, where a grant is paid by the Council, details of each individual grant may be passed to the relevant government departments and HMRC.