



Policy, Finance and Development Committee	Tuesday, 22 March 2022	Matter for Information and Decision
--	-------------------------------	--

Report Title: **Support for Energy Bills – Council Tax Rebate and the Discretionary Fund**

Report Author(s): **Tracy Bingham, Strategic Director – S151 Officer**

Purpose of Report:	To provide members with an update on the Energy Support Payment and to also consult members on the design and seek delegated approval for the Council's Discretionary Fund scheme.
Report Summary:	The report sets out the current position and how it plans to administer the Energy Support Payment. The report then seeks feedback on the key features that Members would like to see in the Discretionary Fund scheme for which OWBC has been allocated £72,405 to support households not covered by the main scheme. Delegated authority is sought to finalise the scheme.
Recommendation(s):	<p>That Members:</p> <ul style="list-style-type: none"> a) Note the contents of the report; b) Provide Officers with feedback on the key principles for the design of the Discretionary Scheme for OWBC; and c) Delegate authority to the Strategic Director – S151 Officer in consultation with the Policy, Finance and Development Committee Chair to approve a final Discretionary Fund scheme policy.
Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):	<p>Tracy Bingham (Director - Section 151 Officer) (0116) 257 2690 tracy.bingham@oadby-wigston.gov.uk</p> <p>Comie Campbell (Deputy Section 151 Officer) (0116) 257 2713 comie.campbell@oadby-wigston.gov.uk</p> <p>Jon Owst (Revenues & Benefits Manager) (0116) 288 2603 jon.owst@oadby-wigston.gov.uk</p>
Corporate Objectives:	Building, Protecting and Empowering Communities (CO1)
Vision and Values:	Customer Focus (V5) Accountability (V1) Respect (V2)
Report Implications:-	
Legal:	There are no implications arising from this report.
Financial:	The Council will receive £3,021,450 funding for the Council Tax Rebate and a further £72,450 will be received for the Discretionary Fund. New Burdens funding will be paid to the Council to cover the

	cost of administering the scheme however the level of funding is yet to be confirmed.
Corporate Risk Management:	Decreasing Financial Resources / Increasing Financial Pressures (CR1)
Equalities and Equalities Assessment (EA):	There are no implications arising from this report.
Human Rights:	There are no implications arising from this report.
Health and Safety:	There are no implications arising from this report.
Statutory Officers' Comments:-	
Head of Paid Service:	The report is satisfactory.
Chief Finance Officer:	As the author, the report is satisfactory.
Monitoring Officer:	The report is satisfactory.
Consultees:	None.
Background Papers:	Guidance published by the Department of Levelling Up, Housing and Communities (DLUHC) is available at https://www.gov.uk/government/publications/the-council-tax-rebate-2022-23-billing-authority-guidance/support-for-energy-bills-the-council-tax-rebate-2022-23-billing-authority-guidance#fn:1
Appendices:	None.

1. Background

- 1.1 On 3 February 2022 the Chancellor of the Exchequer announced a package of support known as the Energy Bills Rebate to help households with rising energy bills, worth £9.1 billion in 2022-23. The measures include:
- a) A £200 discount on energy bills, repaid automatically over the next 5 years.
 - b) A £150 non-repayable rebate for households in England in council tax bands A to D, known as the Council Tax Rebate.
 - c) £144 million of 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.
- 1.2 Local Authorities are responsible for the operation and delivery of the of items b) and c) in the list above and it is expected that the Department for Business, Energy and Industrial Strategy will separately set out details on the energy bill discount scheme in a consultation in the spring.
- 1.3 The Department for Levelling Up, Housing and Communities (DLUHC) have confirmed that OWBC will received £3,021,450 funding for the Council Tax Rebate, based on data submitted by the Council as part of the 2021 council tax statistics return. A further £72,450 will be received for the Discretionary Fund.

2. The Council Tax Rebate (Core Scheme)

- 2.1 Funding paid to OWBC as a billing authority is required to be passed on to eligible households directly as a one-off £150 grant. A household is eligible if it meets all of the following criteria on 1 April 2022:
- i. It is valued in council tax bands A to D;
 - ii. It is someone's sole or main residence;
 - iii. It is a chargeable dwelling; 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.
- 2.2 At the time of writing this report, officers expect that around 20,600 households will be eligible for the rebate. Roughly 70% of these already pay by Direct Debit meaning payments will be able to be made quickly.
- 2.3 Payment of the rebate to residents for whom we do not currently hold bank account information, remains a key challenge in administering payments. To encourage households to receive their payment quickly and safely, the Council has started to promote Direct Debit on its website and social media channels.
- 2.4 At the time of writing this report, plans for payment of the rebate to those households who are not wanting to sign up on Direct Debit are being developed. Officers are keen to ensure that the payment method taken forward mitigates the risk of fraudulent applications whilst balancing the need to reach all eligible residents quickly – as such, we are minded to retain a number of options at this stage, including direct payment to a bank account, credit onto a council tax account and cash payment (distributed via paypoint/post office).

3. The Discretionary Fund

- 3.1 For Councils to provide support to other energy bill payers who are not eligible under the terms of the core scheme set out above, a separate Discretionary Fund has been established. How to make best use of this funding to provide payments to households is a matter to be determined locally.
- 3.2 If the rebate payment under OWBC Discretionary Fund scheme was fixed at £150 per household, 486 households could be supported.
- 3.3 Officers continue to work closely with Leicestershire Local Authority colleagues on a consistent approach to delivery and the discretionary scheme and avoid a postcode lottery and as such, the final scheme proposed is not set out in this report for approval.
- 3.4 Members are invited to put forward their proposed key principles for the discretionary scheme, covering groups we should be targeting and how we might identify them. These proposals will feed into discussions with colleagues at other Leicestershire Local Authorities and the final design of the Discretionary Fund scheme for OWBC.
- 3.5 It is proposed that delegation is given for the Strategic Director – Section 151 Officer in consultation with the Policy, Finance and Development Committee Chair to approve the final scheme.

4. Financial Implications

- 4.1 Councils will have to have made all payments to eligible households on the core scheme and spent the Discretionary Fund funding by 30 September 2022.

- 4.2 At the time of writing this report, it is anticipated that actual expenditure on the core scheme to go above the funding (£3,021,450) from DLUHC, however this position will be confirmed when eligible households are identified on the eligibility date of 1 April 2022. Any scheme under-funding will be settled following reconciliation with government later in the year.
- 4.3 Finally, the government has committed to providing Councils with New Burdens funding to compensate for the additional burdens in implementing the overall policy. Confirmation of the level of this funding is yet to be confirmed. We expect the costs of delivering the scheme to be absorbed within existing budgetary provision within the 2021/22 and 2022/23 financial years, with the exception of software changes which are chargeable but are expected to be contained within the new burdens funding envelope.