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| Committee(s): Policy, Resources & Economic Development Committee | Date: 13 th July 2022 |
| Subject: Energy Rebate | Wards Affected: All |
| Report of: Jacqueline Van Mellaerts - Corporate Director (Finance & Resources) | Public |
| Report Author/s: Name: Jacqueline Van Mellaerts – Corporate Director (Finance & Resources) E-mail: jacqueline.vanmellaerts@brentwood.gov.uk Name: Robert Manser – Shared Service Revenues & Benefits Manager Email: Robert.manser@basildon.gov.uk | For : Decision |

Summary

The purpose of the report is to seek authority from Policy, Resources & Economic Development Committee to administer a Local Discretionary Energy Rebate scheme. As well as give information to members on the main energy rebate scheme announced by Government on 3 February 2022.

Recommendation(s)

Members are asked to:

- R1. To give delegated authority to the Corporate Director (Finance & Resources in consultation with the Chair of Policy, Resources & Economic Development to implement a Local Discretionary Energy Rebate scheme as set out in the criteria within this report.**

Main Report

Introduction and Background

On 3 February 2022, the government announced measures to help protect millions of households from rising energy costs. This included a £150 Council Tax energy rebate. A government initiative energy rebate information leaflet was included to all households with annual Council Tax bills.

The Government has provided funding for billing authorities to give all households in England whose primary residence is valued in Council Tax bands A to D on 1 April 2022, a one-off Council Tax energy rebate payment of £150 (Phase 1). This payment will operate outside of the Council Tax system but will use Council Tax data to identify eligible households.

In Brentwood, there are 19,154 properties which fall into bands A to D. The payments that Brentwood have administered under the automatic rebate scheme total £2,873,100.

Government funding allocations announced confirm that Brentwood's share will be £2,758,900 for the main £150 rebates and £206,100 for the Discretionary scheme (discussed later in this report under Phase 2). Authorities will receive compensation through new burdens funding for the administration of the awards.

Any over-funding of grant to Brentwood will be required to be paid back to Government and any under-funding, as appears likely in Brentwood's case, will be settled with billing authorities following a reconciliation later in the year.

Phase 1 – the £150 Rebate

Eligibility for the £150 Energy Rebate

Government guidance was issued on the 23 February 2022, updated 16 March 2022 and this sets out the steps local authorities (LAs) must follow to administer the schemes. To be eligible for the £150 automatic rebate, a household must:

1. Be 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;
2. Is someone's sole or main residence.
3. Is a chargeable dwelling, and
4. The person who is liable to pay the Council Tax (or would be where 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.

This list is not exhaustive, and Brentwood has used its judgement in consideration of the aims of the scheme, which is to support households with domestic energy costs.

This means that:

- 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.

For the purpose of the £150 Energy Rebate, 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.

Eligibility is determined based on the position at the end of the day on 1 April 2022. Payments will need to be made no later than 30 September 2022 as a reconciliation of funds allocated will take place at that time with any unspent funds by the said date required to be repaid to Government.

The £150 Energy Rebate is made directly to Council Tax payers by Brentwood. This does not need to be repaid. This one-off payment will benefit around 81% of all homes in Brentwood (19,154 out of 34,469 domestic properties on Brentwood's valuation list and 100% of all eligible households whose homes are in bands A-D).

The amount was not a discount or credit to be applied to the tax payers Council Tax account, rather it was a payment that Brentwood made directly to the tax payers bank account (where Brentwood already held bank details from the Council Tax Direct Debit).

Currently, around 55% of our 34,469 Council Tax payers in Council Tax bands A to D pay by Direct Debit. On 26 April 2022 Brentwood successfully made Phase 1 payments to residents that we held existing bank details for. Each resident also received either a text message, email or letter, depending on the contact details held, which confirmed receipt of the energy rebate payment, and publicised the scheme.

In order to make Phase 1 payments where Brentwood did not hold live direct debit details for an eligible household, the government expected Brentwood to make all reasonable efforts to contact households as early as possible to make them aware of the scheme and invite them to make a claim.

Non-Direct Debit Council Tax payers have been contacted either by email or letter, depending on the contact details held, publicising the scheme and asking for them to make an online claim providing their bank details to enable payment. The letter also advised residents that if we didn't receive contact from them by 30 June 2022, that the Council would credit the £150 rebate onto their Council Tax accounts, this is in line with government guidance.

There was also a central publicity campaign undertaken to draw resident's attention to the energy rebate scheme.

All new bank account details provided are subject to 'Spotlight' checks and our normal payment governance to ensure fraud and multiple claims are eradicated or minimised. 'Spotlight' is government's online automated due-diligence tool and highlights areas of risk to inform grant-making decisions.

Staff are available in person and on the phone to support residents applying for their energy rebate. The Revenues & Benefits visiting staff are also available to support vulnerable residents in their homes where there was a need. Where no contact is received from the customer, the default will be for the Council to rebate the credit to the resident's Council Tax account.

As at 30th June 15,135 Brentwood Residents have received their £150 Payments out of 19,154 that entitled to the energy rebate scheme. This equates to 79% of households totalling £2,270,250.

Phase 2 - The Local Discretionary Energy Rebate Scheme

The government recognises that billing authorities may also wish to provide support to other energy bill payers who are not eligible under the terms of the core scheme, including Council Tax Bands E to H, or to provide carefully targeted 'top-up' payments to the most vulnerable households in Council Tax Bands A to D. Local authorities will receive a share of £144 million discretionary funding to support this.

Brentwood's share of this pot is £206,100. This funding is to be passed on directly as one-off grants to households that Brentwood chooses to support. Allocations from the discretionary fund will need to be spent by 30 November 2022.

Brentwood need to implement a local discretionary scheme and administer these discretionary payments. Authority is therefore requested from the Policy, Resources & Economic Development Committee to authorise the Corporate Director (Finance & Resources) to draft, implement and administer a Local Discretionary Energy Rebate scheme in accordance with the guidance issued, adopting the following criteria.

Local Discretionary Energy Rebate Criteria

1. Brentwood Council has determined that the following households will be eligible for a Local Discretionary Energy Rebate payment of £150:
 - a) The household must have gas/electricity/heating oil liabilities if they do not already have a Council Tax liability; and,
 - b) The household must be solely or mainly resident in their property in the Council's area as at 1 April 2022; and,
 - c) The household must be in receipt of either Council Tax Support or Council Tax Reduction as at 1 April 2022, and resident in a Council Tax Band E, F, G or H property in the Council's area; or
 - d) The household qualifies for a means-tested benefit as at 1 April 2022, regardless of Council Tax band e.g. houses of multiple occupation (HMO's).

For the purpose of 1(a), to be treated as having a gas, electricity or heating oil liability, one, or more, members of the household must be legally liable to make payments to a third party for the supply of fuel to heat and light their residence. This may be in the form of an account with a gas, electricity or heating oil supplier or a liability to contribute to a share of the bills as a condition of a tenancy agreement. Only one payment will be made per tenancy agreement.

Where the household is in receipt of means-tested benefits, the name of the main claimant of the means-tested benefit does not need to match the name on the fuel supply account so long as both names are part of the same household. For example,

one partner could be the claimant of the means-tested benefit, the other partner could have the fuel liability in their name.

The Energy Rebate award

1. Where the household is in receipt of either Council Tax Support or Council Tax Reduction as at 1 April 2022, the discretionary Energy Rebate award amount for a resident in a Council Tax Band A, B, C, D (including a 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), they will receive an initial payment of £150, then an extra £40 will be awarded, totalling £190 for those residents on a low income.
2. Where the household is in receipt of either Council Tax Support or Council Tax Reduction on 1 April 2022, the discretionary Energy Rebate award amount for a resident in a Council Tax Band E, F, G or H property will be a single payment of £190.
3. No payment of Local Discretionary Energy Rebate will be made after 30 November 2022.

Non-Direct Debit Council Tax payers will be contacted either by email or letter, depending on the contact details held, publicising the discretionary scheme, asking for them to make an online claim providing their bank details to enable payment. The letter will also advise residents that if we don't receive contact from them by 31 August 2022 we would credit the discretionary energy rebate onto their Council Tax accounts, this is in line with government guidance.

There was also a central publicity campaign undertaken to draw resident's attention to the energy rebate scheme.

All new bank account details provided are subject to 'Spotlight' checks and our normal payment governance to ensure fraud and multiple claims are eradicated or minimised. 'Spotlight' is government's online automated due-diligence tool and highlights areas of risk to inform grant-making decisions.

Bank account details will be subject to 'Spotlight' checks and our normal payment governance to ensure fraud and multiple claims are eradicated or minimised. 'Spotlight' is government's online automated due-diligence tool and highlights areas of risk to inform grant-making decisions.

Staff will be available in person at the Council Offices and on the phone to support residents applying for their energy rebate. The Revenues & Benefits visiting staff will also be available to support vulnerable residents in their homes where there is a need.

New burdens funding will be given to LAs to compensate them for the administrative burden of running the scheme and making the payments. This will be on top of the £3.7million programme funding to be paid to Brentwood's residents.

Breakdown of Energy Rebate payments

| | | |
|-------------------------------------|------------|----------------------|
| Governments £150 Allocation | £2,758,950 | |
| Required £150 Allocation | £2,873,100 | (19,154 - Customers) |
| Additional £150 Allocation Required | -£114,150 | |

| Ctax Band | Non CTS/CTR @ £150 | | | CTS/CTR @ £150 | | | CTS/CTR additional £40 | | |
|-----------|--------------------|------------|-----------------|----------------|------------|---------------------|------------------------|------------------------|---------------|
| | No's Customers | Rebate (£) | Total (£) | No's Customers | Rebate (£) | Total (£) | No's Customers | Rebate (£) | Total (£) |
| A | 513 | -£150.00 | -£76,950 | 178 | -£150.00 | -£26,700 | 178 | -£40.00 | -£7,120 |
| B | 2,156 | -£150.00 | -£323,400 | 914 | -£150.00 | -£137,100 | 914 | -£40.00 | -£36,560 |
| C | 5,626 | -£150.00 | -£843,900 | 1,196 | -£150.00 | -£179,400 | 1,196 | -£40.00 | -£47,840 |
| D | 7,913 | -£150.00 | -£1,186,950 | 658 | -£150.00 | -£98,700 | 658 | -£40.00 | -£26,320 |
| | 16,208 | | -£2,431,200 (a) | 2,946 | | -£441,900 (b) | 2,946 | | -£117,840 (c) |
| | | | | | Total £150 | -£2,873,100 (a)+(b) | | Total £40 | -£117,840 (c) |
| | | | | | | | | Ctax Band A to D Total | -£2,990,940 |

| | | |
|--------------------------|----------|-------------------|
| Discretionary allocation | £206,100 | (354 - Customers) |
|--------------------------|----------|-------------------|

| Ctax Band | Non CTS/CTR @ £150 | | | CTS/CTR @ £150 | | | CTS/CTR additional £40 | | |
|-----------|--------------------|------------|-----------|----------------|------------|-----------|------------------------|-----------------------|-----------|
| | No's Customers | Rebate (£) | Total (£) | No's Customers | Rebate (£) | Total (£) | No's Customers | Rebate (£) | Total (£) |
| E | 0 | £0.00 | £0 | 261 | -£150.00 | -£39,150 | 261 | -£40.00 | -£10,440 |
| F | 0 | £0.00 | £0 | 65 | -£150.00 | -£9,750 | 65 | -£40.00 | -£2,600 |
| G | 0 | £0.00 | £0 | 28 | -£150.00 | -£4,200 | 28 | -£40.00 | -£1,120 |
| H | 0 | £0.00 | £0 | 0 | -£150.00 | £0 | 0 | -£40.00 | £0 |
| | 0 | | £0 | 354 | | -£53,100 | 354 | | -£14,160 |
| | | | | | Total £150 | -£53,100 | | Total £40 | -£14,160 |
| | | | | | | | | Ctax Band E - H Total | -£67,260 |

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|---------------------------------------|-------------|
| Total £150 Rebate required allocation | £2,873,100 |
| Total Discretionary Rebate allocation | £206,100 |
| Total Energy Rebate allocation | £3,079,200 |
| Total Council Tax Band A to D Rebate | -£2,990,940 |
| Total Council Tax Band E to H Rebate | -£67,260 |
| Total Energy Rebate Payable | -£3,058,200 |
| Balance | £21,000 |

CTR - Working aged customers in receipt of Council Tax Reduction
CTS - Pension aged customers in receipt of Council Tax Support

In Brentwood, there are 16,208 properties which fall into bands A to D, entitled to receive an energy rebate of £150, and 2,946 properties that fall into bands A-D that are also in receipt of either Council Tax Support or Council Tax Reduction, entitling them to also receive an energy rebate of £150.

Following the Local Discretionary scheme criteria above, In Brentwood, the 2,946 properties that are in receipt of either Council Tax support or Council Tax reduction which qualify for the main scheme will also be allocated an additional top up of £40 bringing their total allocation to £190. There will also be 354 properties which fall into bands E to H (that don't qualify for the main scheme) but are in receipt of either Council Tax Support or Council Tax Reduction, and will be awarded a single energy rebate allocation of £190.

The remaining £21,000 will be available to support the most vulnerable and those in receipt of income related benefits in Houses of multiple occupation (HMO's).

Issue, Options and Analysis of Options

The Committee may decide to not to authorise the Corporate Director (Finance & Resources) to draft, implement and administer a Local Discretionary Energy Rebate scheme. This is not considered to be appropriate because the proposed Local Discretionary Energy Rebate Scheme criteria is in line the guidance issued and maximises the Energy Rebate funding awarded to Brentwood's residents and would also result in a delay in the payments being made.

Reason for Recommendation

To ensure the Council has a Local Discretionary rebate scheme in place in order to distribute the allocated funding to Brentwood Residents.

Consultation

None

References to Corporate Plan

Ensures the Council is providing quality customer service to Brentwood residents and continues to deliver services that are providing value for money to meet the needs of our residents.

Implications

Financial Implications

Name/Title: Jacqueline Van Mellaerts, Corporate Director (Finance & Resources) and Section 151 Officer

Tel/Email: 01277 312500/jacqueline.vanmellaerts@brentwood.gov.uk

The Energy Rebate scheme is fully funded by Government. Funding allocations confirm that Brentwood's share will be £2,758,950 for the main £150 rebates and £206,100 for the Discretionary scheme. This funding has been received.

Any over-funding of grant to Brentwood will be required to be paid back to Government and any under-funding will be settled with billing authorities following a reconciliation later in the year.

Authorities will receive compensation through new burdens funding for the administration of the awards.

Legal Implications *(Please complete for Director review)*

Name & Title: Amanda Julian, Corporate Director (Law & Governance) and Monitoring Officer

Tel & Email: 01277 312500/amanda.julian@brentwood.gov.uk

A billing authority is defined at section 1(2) of the Local Government Finance Act 1992

A household is defined as a person or group of persons occupying a single dwelling at section 3 of the Local Government Finance Act 1992

The disabled band reduction scheme refers to reductions provided under the Council Tax (Reductions for Disabilities) Regulations 1992

A chargeable dwelling is as defined at section 4 of the Local Government Finance Act 1992

A local authority is as defined at section 270 of the Local Government Act 1972 and includes any authority listed at section 138 C(1) of that Act

The Regulations require that from 1 April 2022 all local Council Tax support/reduction schemes must disregard scheme payments for eligibility for a Council Tax reduction and the amount of any such reduction in the Council Tax (Demand Notices and Reduction Schemes) (England) (Amendment) Regulations 2022, which came into force on 12 February 2022

Economic Implications (*Please complete for Director review*)

Name/Title: Phil Drane, Corporate Director (Planning and Economy)

Tel/Email: 01277 312500/philip.drane@brentwood.gov.uk

The Energy Rebate scheme is a national scheme that the Government has put in place to help protect millions of households from rising energy costs. This included a £150 Council Tax energy rebate and a discretionary scheme for local design to support vulnerable households. A government initiative energy rebate information leaflet was included to all households with annual Council Tax bills.

Equality and Diversity Implications

Name/Title: Kim Anderson, Corporate Manager (Communities, Leisure & Health)

Tel/Email: 01277 312500/kim.anderson@brentwood.gov.uk

There are no implications arising from the recommendations within this report; the local authority is simply acting as an agent in delivering a prescribed scheme for Government.

However, when Officers have designed the Local Discretionary scheme, taking into account of any guidance issued, the Local Discretionary scheme has due regard to the public sector equality duty, as set out in section 149 of the Equalities Act 2010, and a Service Impact Assessment has been undertaken to ensure that any potential adverse impact to groups that share a protected characteristic are identified, evaluated and mitigated wherever possible.

Background Papers

None