

**Report to: Policy & Resources Committee, 24<sup>th</sup> May 2022**

**Report of: Corporate Director – Finance and Resources**

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**Subject: DISCRETIONARY COUNCIL TAX ENERGY REBATE SCHEME**

**1. Recommendations**

**1.1 To approve the Discretionary Council Tax Energy Rebate Scheme; and**

**1.2 To delegate to the Corporate Director – Finance and Resources authority to make minor technical amendments to the scheme and to apply discretion in individual cases, as required.**

**2. Background**

2.1 On 3 February 2022 the Government announced a package of schemes to provide support to households facing significant increases in energy costs. These schemes included a proposal for a £150 payment to be made to all households in Council Tax bands A-D, to be administered by billing authorities. The Council has been provided with £6,175,500 to meet the costs of these payments. Some exceptions apply but the payment is due to all eligible households, even if there are exempt from Council Tax due to Council Tax Support or other reasons.

2.2 In addition, funding of £174,300 has been made available to the Council for a discretionary scheme. It is for the Council to determine how this funding should be deployed but the guidance issued by the Government indicated three areas which should be considered for support:

- Households in Council Tax bands E-H who are facing hardship
- Households where the Council Tax payer is not the person responsible for meeting energy costs – e.g. in households of multiple occupation where the landlord is the Council Tax payer but not the bill payer
- Households in Council Tax bands A-D facing exceptional hardship.

2.3 The Council will also receive New Burdens Funding to meet the costs of administering the scheme including meeting Capita's charges for technical adjustments to the revenues system needed to set up the payments.

**3. Information**

3.1 The policy set out at **Appendix 1** is the Council's proposed Discretionary Scheme. In summary, it is proposed that payments are made automatically wherever possible to reduce the need to apply for support, to minimise complex means testing and to ensure that the support is provided to as many households as possible, within the limitations of the funding, targeted to those with the most need.

The discretionary funding will not be increased in the event that the costs of the scheme exceed the funding level. The Council will, therefore, bear any additional costs incurred from its own resources.

### 3.2 Payments will be made as follows:

- a. Payments of £150 to households in Council Tax bands E-H where the Council Tax payer is receiving Council Tax Support up to 100%.
- b. Payments of £150 will be made to where the household members can demonstrate that they are meeting the household energy costs but are not the Council Tax payer
- c. An additional 'top-up' payment will be made to all households in receipt of 100% Council Tax Support. The amount of payment will be determined once the total payable under (a) and (b) has been determined.

3.3 Payments will only be in respect of each householder's main residence: second homes and empty properties will not be eligible. It is proposed that the amount of the top-up payment may be varied, at the discretion of the Corporate Director – Finance & Resources to help address cases of particular hardship where these are presented and delegation is requested to implement this.

3.4 All payment must be made by 30 November 2022. The decision of the Corporate Director must therefore be final, although any objections will be heard and specific cases progressed in consultation with the Chair and Vice Chairs of the Committee.

## 4. **Preferred Option**

4.1 To allocate the funding in line with the guidance and on a basis that, as far as possible, does not require an application process.

## 5. **Alternative options considered**

5.1 To introduce a means test based on applications from individuals facing significant hardship. This proposal would enable the Council to direct the funding to those most in need and could potentially increase the amount payable to each applicant, rather than a smaller distribution to a large group. However, this would require a detailed means test to establish and confirm the level of hardship and would require applicants to come forward rather than receiving the payment automatically in line with the Government's intentions for the main A-D scheme. By allocating any remaining funding directly to those receiving 100% Council Tax Subsidy the payments will be targeted towards those that the Council has already determined are in the highest category of need for financial support.

## 6. **Implications**

### 6.1 Financial and Budgetary Implications

The financial implications are set out in the report. A final reconciliation will take place and any funding not defrayed by the Council will be returnable to the Department for Levelling Up. For the mandatory element, additional funding will be provided in the event that the amount paid on account is not sufficient to meet the costs of the scheme but this rule does not apply to the discretionary element.

Any funds allocated above the discretionary grant limit of £174,300 would fall to be met from the Council's own resources.

6.2 Legal and Governance Implications

The Council is required to set a discretionary policy under regulations published alongside the funding announcement. Regulation 38 states that 'Once determined (and approved where considered appropriate by elected members), councils should publish their agreed guidelines setting out the eligibility criteria for their Discretionary Fund'.

6.3 Risk Implications

There is a risk that the payments are not made to the eligible recipient. Pre-and post-payment checks are required to ensure that payments are only made to eligible accounts. For Direct Debit payers the account set up for Council Tax will be used. For other Council Tax payers, a voucher scheme will be used, redeemable at post offices. Payments will therefore only be made once eligibility has been assessed.

6.4 Corporate/Policy Implications

None. The overall scheme is designed by Government and the discretionary element is in line with the Government's stated intentions.

6.5 Equality Implications

At this stage no adverse equality implications have been identified as part of this report.

6.6 Human Resources Implications

There will be no human resources implications as a result of this report.

6.7 Health and Safety Implications

There will be no health and safety implications as a result of this report.

6.8 Social, Environmental and Economic Implications

The provision of the grants will support those who are facing significant hardship as a result of the unexpected increase in energy costs.

**Ward(s):** All Wards  
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**Background Papers:** None