

## EXECUTIVE MEMBER FOR FINANCE AND GOVERNANCE

<b>Date:</b> Thursday 7th July, 2022
<b>Time:</b> 1.00 pm
<b>Venue:</b> Oberhausen Room

### AGENDA

1. Council Tax Energy Rebate Discretionary Fund 3 - 12

Charlotte Benjamin  
Director of Legal and Governance Services

Town Hall  
Middlesbrough  
Wednesday 29 June 2022

### MEMBERSHIP

Councillors S Walker

### **Assistance in accessing information**

**Should you have any queries on accessing the Agenda and associated information please contact Susie Blood, 01642 729645 , [Susie\\_blood@middlesbrough.gov.uk](mailto:Susie_blood@middlesbrough.gov.uk)**

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<b>MIDDLESBROUGH COUNCIL</b>	
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<b>Report of:</b>	<i>Director of Finance</i>
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<b>Submitted to:</b>	Executive Member for Finance and Governance
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<b>Date:</b>	7 July 2022
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<b>Title:</b>	Council Tax Energy Rebate Discretionary Fund.
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<b>Report for:</b>	Decision
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<b>Status:</b>	Public
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<b>Strategic priority:</b>	Vulnerability
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<b>Key decision:</b>	Yes
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<b>Why:</b>	Decision(s) will have a significant impact in two or more wards
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<b>Urgent:</b>	No
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<b>Why:</b>	N/A
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<b>Executive summary</b>
<p>That the Executive Member for Finance and Governance note the Council Tax Energy Rebate Scheme and approve the Council Tax Energy Rebate Discretionary Scheme in response to Central Government’s announcement on 3 February 2022.</p> <p>The proposed decision is that the Executive Member for Finance and Governance:-</p> <ul style="list-style-type: none"> <li>• <i>Approves the discretionary fund scheme.</i></li> <li>• <i>Approves that delegated authority be provided to the Director of Finance, as Section 151 Officer to approve any future similar schemes or modifications to schemes.</i></li> </ul>

## Purpose

1. This report seeks approval for the discretionary fund scheme.

## Background and relevant information

2. On the 3 February 2022 Central Government announced a package of extra financial support of £9.1 billion to families to cope with the raising energy prices. Within the package, £1 billion has been allocated to Local Authorities in the form of a Council Tax Rebate which is intended to provide support to over 80% of homes in England within Bands A to D. Middlesbrough have been allocated £8.7m for awards that can be made within the guidance issued defining eligibility.
3. In line with the guidance, awards will be made to households whose Council Tax bill for their primary residence is based on a charge for homes in Bands A – D, as a single one off payment of £150.00. The payment will be administered outside of the Council Tax System, using council tax data to identify households potentially eligible.
4. Where the council holds a live direct debit instruction a direct payment will be made subject to pre-payment assurance checks.
5. Where no direct debit instruction is held the council will notify residents individually of the scheme and invite a claim, ensuring those that are digitally excluded have means to make a claim. Residents will be expected to self-certify that they are entitled to the payment with all payments where appropriate being made by 30 September 2022.
6. Residents will also have the option to have their £150.00 rebate payment allocated directly to their council tax account. Central Government have confirmed that Local Authorities can credit awards to Council Tax accounts, on the basis that the intention is to ensure the majority of residents benefit from the £150.00 payment, so residents who choose not to make a claim and are eligible will by default still receive support.

## Discretionary Scheme

7. In addition to the Council Tax Rebate, a further £144m of discretionary funds has also been provided to support vulnerable people and individuals on low incomes who may not pay Council Tax or that pay Council Tax based on a charge for homes in Bands E to H. Each Local Authority is required to put in place a Local Scheme to offer the support. Middlesbrough have been allocated £462k of which it is proposed that this will be allocated as follows:-

## Criteria

Phase – subject to available funds.	Qualifying Criteria.	Amount of Rebate to be Paid
Phase 1	(1) Households charged in Band E – H in receipt of Council Tax Reduction.	£150.00 per household – application OR direct to account.
	(2) Households negatively impacted by the changes to	The award is intended to cover the full loss, although this will be capped at

	the Council Tax Reduction Scheme Bands A – H	£150.00 Payment will be direct to the household subject to application or automatically allocated to the council tax account if no application is made. Nb. Any award under this criteria will mitigate any transitional reduction under Section 13a1a.
Residents may also qualify under Phase 1 as well as for Council Tax Rebate. Likewise eligibility may arise under both Phase 1 criteria individually.		
<b>Phase 2</b>	Student properties where the household is responsible for paying the energy costs.	£150.00 per household – if not eligible for Council Tax Rebate.
	Houses in Multiple Occupation – where the household is responsible for paying energy costs direct to the supplier.	£150.00 per household
	Households where one or more resident(s) is a Middlesbrough registered foster carer looking after placed children with a property in Bands E to H. Extends to special guardianship.	£150.00 per household
	Households exempt from paying Council Tax due to Severe Mental Impairment	£150.00 – aimed at bands E – H
<b>Phase 3</b>	Households where one or more adult resident is in receipt of a higher rate of PIP/DLA/attendance allowance.	Two thirds of the remaining funds – payment will be direct to the household subject to application or automatically allocated to the council tax account if no application is made. The payment to Council Tax Accounts will be evenly distributed based on remaining funds. Any households in receipt of payments under Phase 1 or Phase 2 will be excluded.
	Top up for pensioners awarded CTR	One third of remaining funds - payment will be direct to the household subject to application or automatically allocated to the council tax account if no application is made. The payment to Council Tax Accounts will be evenly distributed based on remaining funds. Any households in receipt of payments under Phase 1 or Phase 2 will be excluded.

Application will be on a first come basis and subject to available funds. Priority regarding the allocation of funding will be on a phased basis as outlined above e.g. if all funding is committed at the end of Phase 2 any subsequent phases will not progress and the discretionary scheme will close.

## What decision(s) are being recommended?

That the Executive Member for Finance and Governance note the Council Tax Energy Rebate Scheme and approve the Council Tax Energy Rebate Discretionary Scheme in response to Central Government's announcement on 3 February 2022.

The proposed decision is that the Executive Member for Finance and Governance:

- *Approves the discretionary fund scheme.*
- *Approves that delegated authority be provided to the Director of Finance, as Section 151 Officer to approve any future similar schemes or modifications to schemes.*

## Rationale for the recommended decision(s)

8. At the request of central government, local authorities have been asked to put in place a local scheme.
9. Middlesbrough's discretionary scheme has been designed to provide financial support to some of the town's most vulnerable groups. The scheme provides for secondary payments in some instances and extends to include groups that are not eligible for Council Tax Rebate.
10. Appropriate funding is available to support the discretionary scheme. Once the funds have been committed the scheme will end.

## Other potential decision(s) and why these have not been recommended

11. No other potential decisions have been recommended as the approach is in line with central government intentions.

## Impact(s) of the recommended decision(s)

### **Legal**

12. As instructed by Central Government each Local Authority is required to design its own discretionary scheme to support households with the rising costs of energy prices. The scheme is intended to provide support to those households that wouldn't ordinarily qualify for a payment under the standard scheme. The expectation placed on the Local Authority is provided in the guidance notes provided by Central Government and attached to this report.

## Strategic priorities and risks

12. The proposed scheme will contribute as follows to the Council's strategic plan.

<b>People</b>	<b>Place</b>	<b>Business</b>
<i>Provide financial support via government funding to assist with the increase in the cost of living/energy prices.</i>	<i>NA</i>	<i>It is important to ensure residents of Middlesbrough who are struggling with the cost of living/energy price increase have access to additional support.</i>

13. This policy will impact on the following risks, and will be amended to reflect the current position:

- **08-059** Incorrect assumptions in the MTFP – Collection continues to remain challenging more so due to the additional demand pressures brought about by Central Government Initiatives. Resource is finite and the level of activity necessary to secure payment is diminished due to these demands.
- **08-075** Reduction in Council Tax Collection - As resource is allocated to support the administration of the scheme alongside other Central Government Initiatives.

***Human Rights, Equality and Data Protection***

14. The proposed solution has been designed in response to central government guidance, and supports some of the town's most vulnerable groups and as such a level 1 Impact Assessment has been carried out (shown as an appendix to this report). The standard scheme supports 80% of the households in the town, the discretionary scheme is designed to support the remaining 20% provided they fall within one of the relevant phases.

***Financial***

15. The cost of the scheme has been fully provided for by funding made available from Central Government


## Actions to be taken to implement the recommended decision(s)

Action	Responsible Officer	Deadline
Scheme to be published.	Janette Savage	Immediately following approval.
Update delegated authority.	Legal	Immediately following approval.
Invite applications.	Janette Savage	Immediately following approval.

## Appendices

1	Impact Assessment
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## Background papers

Body	Report title	Date
Central Government.	Council Tax Energy Rebate Guidance.	3 February 2022  Support for energy bills - the council ta:

**Contact: Janette Savage - Head of Resident & Business Support.**

**Email: [Janette\\_savage@middlesbrough.gov.uk](mailto:Janette_savage@middlesbrough.gov.uk)**



## Template for Impact Assessment Level 1: Initial screening assessment

<b>Subject of assessment:</b>	Council Tax Energy Rebate Discretionary Fund.			
<b>Coverage:</b>	Cross cutting			
<b>This is a decision relating to:</b>	<input type="checkbox"/> Strategy	<input checked="" type="checkbox"/> Policy	<input checked="" type="checkbox"/> Service	<input type="checkbox"/> Function
	<input type="checkbox"/> Process/procedure	<input type="checkbox"/> Programme	<input type="checkbox"/> Project	<input type="checkbox"/> Review
	<input checked="" type="checkbox"/> Organisational change	<input type="checkbox"/> Other (please state)		
<b>It is a:</b>	<b>New approach:</b>	<input checked="" type="checkbox"/>	<b>Revision of an existing approach:</b>	<input checked="" type="checkbox"/>
<b>It is driven by:</b>	<b>Legislation:</b>	<input checked="" type="checkbox"/>	<b>Local or corporate requirements:</b>	<input checked="" type="checkbox"/>
<b>Description:</b>	<ul style="list-style-type: none"> <li>○ <a href="#">Key aims, objectives and activities</a></li> <li>○ The discretionary fund has been set up in line with Central Government guidance and is intended to provide support to over 80% of households within the borough. It provides a framework for to providing funding to residents who may be experiencing difficulties paying increased energy bills.</li> <li>○ <a href="#">Statutory drivers (set out exact reference)</a></li> <li>○ On 3 February 2022 Central Government announced a package of extra financial support of £9.1 billion to families to cope with the rising energy prices. Within the package, £1 billion has been allocated to Local Authorities in the form of a Council Tax Rebate which is intended to provide support to over 80% of homes in England within Bands A to D. Middlesbrough have been allocated £8.7m for awards that can be made within the guidance issued defining eligibility.</li> <li>○ The Council Tax (Demand Notices and Reduction Schemes) (England) (Amendment) Regulations 2022 amends legislation to provide that billing authorities' schemes must include provision for an Energy Rebate Scheme.</li> <li>○ <a href="#">Differences from any previous approach</a></li> <li>○ There has not been a local or national approach to the distribution of Government funds to help residents pay their increased energy bills.</li> <li>○ <a href="#">Key stakeholders and intended beneficiaries (internal and external as appropriate)</a></li> <li>○ The key stakeholders include Middlesbrough residents, staff administering the scheme, local partners and national government.</li> <li>○ <a href="#">Intended outcomes.</a></li> <li>○ To ensure a quick, efficient and consistent process for residents who qualify for this financial support,</li> <li>○ Provide a process for allocating the Energy Rebate in line with Government guidance,</li> <li>○ Introduce effective performance management arrangements to ensure payments are timely, accurate and can be accounted for by the Council,</li> <li>○ Support the Council's other policies where those in crisis need financial help.</li> </ul>			
<b>Live date:</b>	June 2022			
<b>Lifespan:</b>	Likely to only be required during the 2022/23 financial year, although this is subject to Central Government direction			
<b>Date of next review:</b>	The process is subject to ongoing reviews building in learning from the initial roll out along with guidance from Central Government and good practice from the experiences of other Councils.			

Screening questions	Response			Evidence
	No	Yes	Uncertain	
<p><b>Human Rights</b></p> <p>Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?*</p>	☒	☐	☐	<p>This proposed procedure is designed to ensure that the Council is able to distribute Central Government funding in a fair, consistent and equitable manner. The council's approach is designed to provide a payment and eligibility framework for Middlesbrough residents. There are no concerns that the policy could infringe qualified or absolute human rights.</p> <p>Evidence used to inform this assessment includes the Government's guidance information, and is intended to be operated to complement current support provisions from various council services across the council. It also incorporates evidence from engagement to date with senior officers who have been involved in the development of the policy and supporting detailed delivery plans.</p>

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\* Consult the Impact Assessment further guidance appendix for details on the issues covered by each of these broad questions prior to completion.

Screening questions	Response			Evidence
<p><b>Equality</b></p> <p>Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law?            Could the decision impact differently on other commonly disadvantaged groups?*</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The Public Sector Equality Duty (PSED) requires that when exercising its functions the Council must have due regard to the need to:-</p> <ul style="list-style-type: none"> <li>eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;</li> <li>advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and</li> <li>foster good relations between persons who share a relevant protected characteristic and persons who do not share it.</li> </ul> <p>In having due regard to the need to advance equality of opportunity, the Council must consider, as part of a single equality duty:</p> <ul style="list-style-type: none"> <li>removing or minimising disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;</li> <li>taking steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it; and</li> <li>encouraging people who share a protected characteristic to participate in public life or in any other activity in which participation is low.</li> </ul> <p>The proposed process should provide consistency, fairness and efficiency in the council’s approach, whilst being mindful of Central Government’s guidance and the overall aims of the Energy Rebate scheme (which is to help reduce the impact of fast rising energy prices on the financially vulnerable). Liaison between the council’s various supporting services is in place so that where a resident is identified who has not claimed the rebate, signposting to this service can be carried out quite quickly. The Council’s website contains clear and concise information on roll out, and is updated very regularly (usually daily where required) The Energy rebate will also link into the Council’s overall Welfare Strategy and vulnerability policy. For those residents who are digitally excluded, support is in place to help them to claim.</p> <p>It is potentially relevant to all the protected characteristics. The aim of the process is to provide funds for the financially vulnerable and other Middlesbrough residents who are experiencing fast rising energy costs. The process does not discriminate within the protected groups. Eligibility is based initially on Council Tax bands (A-D). Once distributed to those initially eligible for the payment, remaining funds will be distributed to:</p> <ul style="list-style-type: none"> <li>vulnerable households who may not qualify automatically for the Council Tax Energy Rebate</li> <li>low-income households living in properties in Council Tax bands E to H</li> </ul> <p>There are no concerns that the Energy Rebate process could have a disproportionate adverse impact on individuals or groups because they hold one or more protected characteristics. The application of a case by case approach to eligibility based on guidance will ensure fairness, consistency and ensure those most affected by the energy price rises are supported.</p> <p>Evidence used to inform this assessment includes the Government’s guidance information, and is intended to be operated to complement current support provisions from various council services across the council. It also incorporates evidence from engagement to date with senior officers who have been involved in the development of the policy and supporting detailed delivery plans.</p>

Screening questions	Response	Evidence			
<p><b>Community cohesion</b></p> <p>Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?*</p>	<table border="1"> <tr> <td style="background-color: #90EE90;"><input checked="" type="checkbox"/></td> <td style="background-color: #FFD700;"><input type="checkbox"/></td> <td style="background-color: #FFD700;"><input type="checkbox"/></td> </tr> </table>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The proposed process should provide a coordinated, joined up and consistent approach to the distribution of the Government funds for this Energy Rebate. It is being administered by a single service (Resident &amp; Business Support) administering payments which will prevent inconsistencies across customers who access support.</p> <p>Where there may be any different needs because of a protected characteristic or geography, this joined up approach with the Council's Welfare Strategy will help to develop follow up actions focussed on addressing those unequal impacts. There are no concerns that the policy could have an adverse impact on community cohesion.</p> <p>Evidence used to inform this assessment includes the Government's guidance information, and is intended to be operated to complement current support provisions from various council services across the council. It also incorporates evidence from engagement to date with senior officers who have been involved in the development of the policy and supporting detailed delivery plans.</p>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
<p><b>Next steps:</b></p> <ul style="list-style-type: none"> <li>➡ If the answer to all of the above screening questions is No then the process is completed.</li> <li>➡ If the answer of any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed.</li> </ul>					
<b>Assessment completed by:</b>	Mark Symmonds	<b>Head of Service:</b>	Janette Savage		
<b>Date:</b>	21/06/2022	<b>Date:</b>	21/06/2022		