

<b>Report of:</b>	<i>Director of Finance</i>
<b>Submitted to:</b>	Executive Member for Finance and Governance
<b>Date:</b>	7 July 2022
<b>Title:</b>	Council Tax Energy Rebate Discretionary Fund.
<b>Report for:</b>	Decision
<b>Status:</b>	Public
<b>Strategic priority:</b>	Vulnerability
<b>Key decision:</b>	Yes
<b>Why:</b>	Decision(s) will have a significant impact in two or more wards
<b>Urgent:</b>	No
<b>Why:</b>	N/A

**Executive summary**

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.*

## 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:

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