

**ECONOMY AND RESOURCES SCRUTINY COMMITTEE
3 NOVEMBER 2022**

COUNCIL TAX ENERGY REBATE

SUMMARY REPORT

Purpose of the Report

1. To update Members on the delivery of the Council Tax Energy Rebate scheme in 2022.

Summary

2. In February 2022, the government announced a package of financial support to help households with rising energy bills, worth £9.1 billion. This included:
 - (a) A £150 non-repayable payment for households in England in Council Tax bands A to D, known as the Council Tax Energy Rebate.
 - (b) £144 million of discretionary funding for Councils to support households who are in need but are not eligible for the Council Tax Rebate, known as the Discretionary Fund.
3. Delivery of the schemes in Darlington took place between April and August 2022.
4. A total of 45,026 Council Tax Energy Rebate payments were made to eligible residents amounting to £6,753,900.
5. A total of 5,153 Discretionary Fund payments were made amounting to £231,870.

Recommendation

6. It is recommended that :-
 - (a) Members note the content of this report.

**Anthony Sandys
Assistant Director – Housing and Revenues**

Background Papers

No background papers were used in the preparation of this report.

Anthony Sandys: Extension 6926

S17 Crime and Disorder	There are no issues
Health and Wellbeing	There are no issues

Carbon Impact and Climate Change	There is no impact in this report
Diversity	There is no impact in this report
Wards Affected	All wards are affected
Groups Affected	All Council Tax payers eligible for the Council Tax Energy Rebate
Budget and Policy Framework	The issues contained within this report do not represent a change to Council budget or the Council's policy framework
Key Decision	This is not an Executive decision
Urgent Decision	This is not an Executive decision
Council Plan	This report has no particular impact on the Council Plan
Efficiency	There is no impact in this report
Impact on Looked After Children and Care Leavers	This report has no impact on Looked After Children and Care Leavers

MAIN REPORT

Information and Analysis

Background

7. In February 2022, the government announced a package of financial support to help households with rising energy bills, worth £9.1 billion. This included:
 - (a) A £150 non-repayable payment for households in England in Council Tax bands A to D, known as the Council Tax Energy Rebate.
 - (b) £144 million of discretionary funding for Councils to support households who are in need but are not eligible for the Council Tax Rebate, known as the Discretionary Fund.
8. For Darlington, the Government provided £6,824,550 for the Council Tax Energy Rebate and £233,700 for the Discretionary Fund. New burdens funding was also provided for the administration of the scheme.
9. Funding paid to Councils for the Council Tax Energy Rebate was to be passed on directly as one-off £150 grants to households who were eligible, paid as soon as possible from April 2022 and by no later than 30 September 2022. Funding paid to Councils for the Discretionary Fund was for one-off grants to households in Council Tax bands E to H, although eligibility was for Councils to decide.

Eligibility Criteria

10. The following eligibility criteria applied to the Council Tax Energy Rebate:
 - (a) The property is valued in Council Tax bands A to D. This includes properties valued in band E but have an alternative valuation of band D, as a result of the disabled band reduction scheme.
 - (b) It is someone's sole or main residence.

- (c) It is a chargeable dwelling for Council Tax, or the property is in any of the following exemption classes:
 - (i) Exemption class N (a dwelling occupied entirely by students),
 - (ii) Exemption class S (a dwelling occupied wholly by persons under the age of 18),
 - (iii) Exemptions class U (a dwelling occupied wholly by persons who are severely mentally impaired), or
 - (iv) Exemption class W (an annexe flat or similar self-contained property occupied by a dependent relative of a person living in the main part of the building).
 - (d) The person who is liable to pay Council Tax is not a Local Authority, a corporate body or other body such as a Housing Association, the Government or Governmental body.
 - (e) 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.
 - (f) A property that has no permanent resident and is someone's second home **will not** be eligible.
 - (g) An unoccupied property **will not** be eligible.
 - (h) Eligibility will be determined based on the position at the end of the day on 1 April 2022. Where changes are made to the Council Tax liability for the property after 1 April 2022, the Council will decide if a payment (or clawback of a payment) should be made.
 - (i) Only one £150 payment should be made for each household, regardless of the number of occupants or liable Council Tax payers.
11. Eligibility criteria for the Discretionary Fund was for Councils to decide but the general principles set out in paragraph 10 for the Council Tax Energy Rebate should also apply.
12. On 11 March 2022, the following was decided for the Discretionary Fund:
- (a) All eligible households in Council Tax bands E to H that qualify for Council Tax Support will receive a £150 payment.
 - (b) All eligible households in Council Tax bands E to H that qualify for a disabled band reduction, a disability discount or a class U exemption will receive a £150 payment.
 - (c) All other eligible households in Council Tax bands E to H will receive a £42 payment.

Making Payments

13. Where the Council held live direct debit instructions for a liable Council Tax payer of an eligible household, the Government advised that Councils should make an automatic payment as early as possible in the 2022-23 financial year, provided that they are assured that the household is eligible and the bank account details have been verified. Councils were advised, as far as possible, to exclude any direct debits from automated payments where the name on the bank account did not match the Council Tax liable person.
14. Councils were advised to make it clear to recipients that the grant was being provided on the assumption that they were a liable Council Tax payer and that the property met the criteria set out at paragraph 10 on 1 April 2022. If this was not the case, then the grant may be liable for recovery. Councils were also advised to make clear that the grant was being provided to support all residents of the household.
15. Where the Council did not hold live direct debit instructions for an eligible household, the Government expected Councils to make all reasonable efforts to contact the household as

early as possible to make them aware of the scheme and invite them to make a claim.

16. Councils were required to undertake pre-payment checks prior to payment of any grant which was not awarded to a live direct debit holder. To assist with these pre-payment checks, the Government made available Spotlight, its due diligence risking tool.

Delivery of the Scheme

17. Delivery of the Council Tax Energy Rebate and Discretionary Fund schemes were reliant on an upgrade to the Revenues and Benefits IT software, to enable extraction of the relevant Council Tax records eligible for a payment, the required pre-payment checks and preparation of payment files. The software upgrade also included an application form for the non-direct debit accounts to enable residents to provide their bank account details.

Council Tax Energy Rebate Payments

18. Implementation and testing of the IT software and payment files took place between March and April 2022. Staff also undertook checks against those accounts paying by direct debit, where the bank details were different to the Council Tax liable person(s).
19. Payments to those direct debit accounts where we already held bank account details were prioritised for payment. The first payments were made from 19 April 2022, initially to small numbers of accounts to ensure payments were made correctly. Payments were then made to all eligible direct debit customers after the first initial payment of Council Tax for 2022-23 was drawn from the bank account, to ensure payment could be made into that account and to minimise any rejected payments. Letters were also sent to eligible residents confirming the payment once it had been made.
20. Payments of the £150 Council Tax Energy Rebate for direct debit payers were made as follows:

Payment Date	Number of Payments	Total Paid
19/04/22	1	£150
20/04/22	50	£7,500
22/04/22	12,224	£1,833,600
27/04/22	10,536	£1,580,400
04/05/22	2,794	£419,100
10/05/22	2,199	£329,850
18/05/22	59	£8,850
26/05/22	496	£74,400
01/06/22	157	£23,550
08/06/22	808	£121,200
10/06/22	171	£25,650
15/06/22	183	£27,450
Total	29,678	£4,451,700

21. The application form for non-direct debit payers (including those direct debit payers where there was a mis-match between the Council Tax liable person and the name on the bank account) was made live on the Council's website from 26 May 2022. A total of 16,170

letters inviting an application were sent to residents in batches between 26 May 2022 and 24 June 2022. Reminder letters were sent during June and July 2022 to those residents who had not submitted an application form, with a deadline of 31 July 2022 to make an application.

22. A helpline was also set up to assist residents with completing their application and deal with any enquiries. A total of 3,564 telephone enquiries were dealt with by staff during this period.
23. Following receipt of application forms, pre-payment checks were undertaken by Revenues and Benefits staff and payments of the £150 Council Tax Energy Rebate were made as follows:

Payment Date	Number of Payments	Total Paid
22/06/22	4,711	£706,650
29/06/22	4,036	£605,400
07/07/22	1,448	£217,200
13/07/22	611	£91,650
20/07/22	302	£45,300
25/07/22	938	£140,700
01/08/22	550	£82,500
Total	12,596	£1,889,400

24. After the application form process closed on 31 July 2022, the remaining outstanding payments were credited to the resident's Council Tax account, in line with Government guidelines. A total of 2,752 payments amounting to £412,800 were credited to Council Tax accounts on 3 August 2022. Letters were sent to all affected residents informing them that they still have an opportunity to receive their £150 Council Tax Energy Rebate payment directly by completing an on-line Council Tax refund request (even if their Council Tax account is in arrears). Although the Government's deadline to make payments was 30 September 2022, for those residents who have had payments credited to their Council Tax account, they have until 31 March 2023 to request a refund.
25. Therefore, a total of 45,026 Council Tax Energy Rebate payments were made to eligible residents amounting to £6,753,900.

Discretionary Fund Payments

26. Following completion of the Council Tax Energy Rebate process, payments for the Discretionary Fund were then made in August 2022. For those eligible residents who paid their Council Tax by direct debit, payments of the Discretionary Fund were made directly into their bank accounts in the same way as the Council Tax Energy Rebate.
27. On 3 August 2022, a total of 4,244 Discretionary Fund payments were made amounting to £186,024. Letters were also sent to eligible residents confirming the payment once it had been made.
28. To ensure that all payments of the Discretionary Fund to non-direct debit payers could be made by 30 September 2022, it was decided to credit these directly to Council Tax

accounts. A total of 909 Discretionary Fund payments were credited to Council Tax accounts amounting to £45,846. Letters were also sent to these residents informing them that, if they wanted to receive their Discretionary Fund payment directly, they could do so by completing an on-line Council Tax refund request.

29. Therefore, a total of 5,153 Discretionary Fund payments were made amounting to £231,870.