

# Council Tax Energy Rebate

## Implementing the Discretionary Fund

Cabinet Member for Finance and Commissioning

Date: 6 June 2022

Agenda Item:

Contact Officer: Anthony Thomas / Steve Woods

Tel Number:

Email: [Anthony.thomas@lichfielddc.gov.uk](mailto:Anthony.thomas@lichfielddc.gov.uk)  
[Steve.woods@lichfielddc.gov.uk](mailto:Steve.woods@lichfielddc.gov.uk)

Key Decision? Yes

Local Ward Members All



## Cabinet Member Decision

### 1. Executive Summary

- 1.1 The Government announced a package of support known as the 'Energy Bills Rebate' to help households with rising energy bills. The package includes:
  - A £150 non-repayable rebate for households in England in Council Tax bands A to D, known as the 'Council Tax rebate'.
  - Discretionary funding for billing authorities to support households who are in need but not eligible for Council Tax Rebate, known as the 'Discretionary Fund'
  - All households in England, Scotland and Wales will receive a £400 payment to help offset the rising increase in energy bills from October. Energy suppliers will send the money to household's accounts from October 2022.
- 1.2 This decision notice has a sole focus on the administration of the Discretionary Fund.
- 1.3 Lichfield has been allocated Government funding of £140,700 (Discretionary Funding) that needs to be awarded to qualifying households by 30 November 2022.
- 1.4 We have drafted a discretionary policy (**Appendix A**) in collaboration with the wider Staffordshire Local Authorities and the funding will be targeted towards those suffering financial hardship as a result of the rising cost of living. A proportion of this funding will be targeted towards E-H households that the independent charity "Beat the Cold" have determined to be in 'fuel poverty' (**3.4 (f)**).

### 2. Recommendations

- 2.1 That the Cabinet Member for Finance and Commissioning approves the discretionary policy that will be used for the allocation of the Discretionary Fund.

### 3. Background

- 3.1 The Government has allocated Lichfield £140,700 funding and we have the discretion to direct this funding to support those suffering financial hardship as a result of the rising cost of living.
- 3.2 The Government has suggested that Local Authorities may wish to provide support to:
  - Other energy bill payers who are not eligible under the terms of the core scheme.
  - The most vulnerable households in bands A to D (E.g., those on means tested benefits), by providing carefully targeted 'top up' payments.
  - Households that live in properties in bands E to H that are on income-related benefits.
  - Help those where the energy bills payers are not liable for Council Tax.

- Offer discretionary support exceeding £150 per household.
- Occupants of Class M (Student halls) if they are exposed to rising energy prices in a similar way to other households.

### 3.3 Key outcomes of the Lichfield Discretionary Fund

- To support Lichfield residents that are suffering financial hardship due to the rising cost of living.
- To award the majority of the funding automatically, without the need to apply.
- Where an application is required, it is not overly onerous for the resident to complete or for the team to validate and process.
- To spend our full allocation.

### 3.4 Options for utilising the funding

Following collaboration with the wider Staffordshire Local Authorities and other key stakeholders we have devised a discretionary policy (**Appendix A**), providing support for the following groups:

Scheme	Description of the proposed scheme
a	Households in Council Tax bands E-H that are in receipt of Local Council Tax Support (LCTS).
b	Households whose dwelling is valued in bands F to H subject to an alternative banding E to G, due to Disabled Banding Relief.
c	Top up funding to vulnerable households in bands A-D that are in receipt of LCTS
d	<b>Houses in Multiple Occupancy</b> <ul style="list-style-type: none"> <li>Households where the energy bill payer is not liable for Council Tax (HMO); or</li> <li>Households that have a liability for rent on 1 April 2022 but is not liable for Council Tax. The householder must receive Housing Benefit and be liable for an energy bill.</li> </ul>
e	Households whose dwelling is valued in bands E to H on 1 April 2022 who manage to successfully appeal their band to D or lower, retrospectively to 1 April 2022. The appeal must have been submitted before 3 February 2022.
f	<b>E-H households (not on LCTS) - In fuel poverty.</b> Households that have been independently identified as being “in fuel poverty” by “Beat the Cold” charity <a href="https://www.beatcold.org.uk/">https://www.beatcold.org.uk/</a> . The charity works with many vulnerable households that are struggling with the cost of gas and electricity across Staffordshire.

3.5 We recommend allocating Discretionary Fund payments to households in the above schemes, to provide help to those that are suffering financial hardship as a result of the rising cost of living. Whilst schemes a-c will be awarded automatically, a short application process will be required for schemes d and e. For scheme f, we plan to have automatically validate referrals through the independent charity ‘Beat the Cold’.

3.6 Discretionary Fund payments will be made by 30 November 2022, in accordance with Government guidance.

Alternative Options	The Cabinet Member could decide not to approve the proposed initiative. An alternative solution would be considered.
Consultation	There has been consultation with the wider Staffordshire Local Authorities, an industry expert, and internally within the Revenues and Benefits Service area.
Financial Implications	Government has provided the £140,700 funding allocation, along with new burdens for the administration of the fund.
Approved by Section 151 Officer	Yes

Legal Implications	None
Approved by Monitoring Officer	Yes
Contribution to the Delivery of the Strategic Plan	The energy rebate underpins our priority of developing prosperity encouraging economic growth and being a good council that is responsive, and customer focussed.
Equality, Diversity and Human Rights Implications	No specific implications. Equality impact assessment prepared.
Crime & Safety Issues	No specific issues.
Environmental Impact	No specific impacts.
GDPR / Privacy Impact Assessment	No specific impacts

	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
A	The resourcing requirements for the award process are insufficient  Interim Revenues and Benefits Manager	Likelihood: Yellow  Impact: Yellow  Severity of Risk: Yellow	The majority of funding will be allocated automatically. However, in terms of the application-based element, additional short-term resourcing will be considered to augment existing resources.	Likelihood: Green  Impact: Yellow  Severity of Risk: Green
B	The policy does not provide support to those groups in the highest need  Interim Revenues and Benefits Manager	Likelihood: Yellow  Impact: Yellow  Severity of Risk: Yellow	We have considered various options, reviewed other Council's policies and involved an independent charity who specialise in fuel poverty.	Likelihood: Green  Impact: Yellow  Severity of Risk: Green

	Background documents
	Relevant web links



**Support for Energy Bills  
Council Tax Rebate and Discretionary Fund  
2022-23 Policy**

## **Contents**

- 1.0 Purpose of the policy
- 2.0 Who is eligible for discretionary funding?
- 3.0 How much funding will be available?
- 4.0 How the payment will be made
- 5.0 Impact of the payment
- 6.0 Application process
- 7.0 Fraud
- 8.0 Review

## **1.0 Purpose of the policy**

1.1 The Government has announced a package of support known as the Energy Bills Rebate to help households with rising energy bills. This includes:

- A £400 discount on their energy bill this autumn for domestic electricity customers in Great Britain.
- A £150 non-repayable rebate for households in England in council tax bands A to D, known as the Council Tax Rebate.
- £144 million of discretionary funding for billing authorities to support households who are in need but are not eligible for the Council Tax Rebate, known as the Discretionary Fund.

1.2 This policy sets out the eligibility criteria for the discretionary fund, with no payment being made in respect of empty or second homes.

## **2.0 Basic eligibility**

2.1 The Council has decided the that the payments will be made providing that:

- a) The household has their sole or main residence in the dwelling; and
- b) The Council Tax liable person is not a Local Authority, a corporate body or other body such as a Housing Association, the Government or Governmental body.

## **3.0 Awards**

Where the criteria in 2.1 (a) and (b) are met, the following awards will be made:

- a) A one-off payment of £150 will be awarded to households with a Council Tax band E-H that are also in receipt of Local Council Tax Support.
- b) A one-off payment of £150 will be awarded to Households whose dwelling is valued in bands F to H subject to an alternative banding E to G, due to a Disabled Banding Relief.
- c) Households in Council Tax bands A-D that are in receipt of LCTS and are part of a 'Vulnerable Household', will be awarded £30 'top-up' funding. The Council may award a further 'top-up' towards the end of the scheme, if funds are available.
- d) Households where the energy bill payers are not liable for Council Tax. (E.g., Houses in multiple occupation) but can provide evidence that they have their own fuel bills will be awarded a one-off payment of £150. The £150 payment will be divided by the number of available bedrooms and no payment will be made for any rooms that are unoccupied.
- e) Households whose dwelling is valued in bands E to H on 1 April 2022 who manage to successfully appeal their band to D or lower, retrospectively to 1 April 2022 will be

awarded a one-off payment of £150. (The appeal must have been submitted before 3 February 2022).

- f) E-H households that are not on Local Council Tax Support and are in ‘fuel poverty’. The assessment of households that are in ‘fuel poverty’ will be provided by pre-validated referrals from the independent charity ‘Beat the Cold’ <https://www.beatcold.org.uk/>

#### **4.0 How much funding will be available?**

- 3.1 In most cases, the maximum funding is expected to be a £150 ‘one-off’ payment for households that meet the eligibility criteria. In certain prescribed circumstances (see 3.0(c)) a ‘top-up’ payment may be awarded.
- 3.2 The discretionary fund is cash and time limited and so payments will no longer be made if the Council utilises all its funding, or on the closing date of 30 November, whichever is sooner.

#### **5.0 How the payment will be made**

- 4.1 Payments can only be made to the liable Council Tax payer (or a person who would otherwise, be liable where the property is exempt), regardless of the number of occupants or liable Council Tax payers. In certain prescribed circumstances (see 3.0(c)) a ‘top-up’ payment may be awarded.
- 4.2 Payments will be made directly to the Council Tax payer using the live direct debit information held of an eligible household.
- 4.3 Where the Council does not hold live direct debit instructions for an eligible household, efforts will be made to contact the household as early as possible to make them aware of the scheme and invite them to make a claim.
- 4.4 Should an eligible household not have a live direct debit instruction set up, the council will then look to make a credit of up to £150 against the household’s current liability.
- 4.5 Where an eligible household does not have a live direct debit or a Council Tax liability to credit, the Council will make the payment following an application process.

## **Impact of the payment**

5.1 All payments made under the Council Tax Rebate or Discretionary Fund are to be treated as local welfare provision and therefore will not be taken into account in the calculation of income related benefits. For Universal Credit, the Department of Work and Pensions will legislate to ensure payments are disregarded.

5.2 All payments made under the Council Tax Rebate or Discretionary Fund are non-taxable. Recipients do not need to inform HMRC of the amounts received and those who are self-employed do not need to report the amounts on their Self-Assessment tax returns. As these payments are non-taxable, they do not impact tax credits. Tax credits claimants do not need to report these payments as income to HMRC.

## **6.0 Application Process**

6.1 To apply for this discretionary grant funding, you must first meet the criteria set out in section 2. If you do not fit these criteria, then your application will be rejected.

6.2 Applications can be submitted online.

6.3 All applications will be subject to pre-payment checks.

## **7.0 Fraud**

7.1 The Council will not accept deliberate manipulation and fraud - and any claimant caught falsifying their records to gain grant money will face prosecution and any funding issued will be subject to claw back, as may any grants paid in error.

## **8. Eligibility Disputes**

8.1 The decision of the Council on any eligibility matter will be final. Any disputes will be dealt with through the Council's complaints procedure. Full details are on our website.

## **9.0 Review**

9.1 This policy was produced in May 2022 and will be updated if there are any further updates provided by Central Government.



**Support for Energy Bills**

**Council Tax Rebate and Discretionary Fund**

**2022-23 Policy**

## **Contents**

- 1.0 Purpose of the policy
- 2.0 Who is eligible for discretionary funding?
- 3.0 How much funding will be available?
- 4.0 How the payment will be made
- 5.0 Impact of the payment
- 6.0 Application process
- 7.0 Fraud
- 8.0 Review

## **1.0 Purpose of the policy**

1.1 The Government has announced a package of support known as the Energy Bills Rebate to help households with rising energy bills. This includes:

- A £400 discount on their energy bill this autumn for domestic electricity customers in Great Britain.
- A £150 non-repayable rebate for households in England in council tax bands A to D, known as the Council Tax Rebate.
- £144 million of discretionary funding for billing authorities to support households who are in need but are not eligible for the Council Tax Rebate, known as the Discretionary Fund.

1.2 This policy sets out the eligibility criteria for the discretionary fund, with no payment being made in respect of empty or second homes.

## **2.0 Basic eligibility**

2.1 The Council has decided the that the payments will be made providing that:

- a) The household has their sole or main residence in the dwelling; and
- b) The Council Tax liable person is not a Local Authority, a corporate body or other body such as a Housing Association, the Government or Governmental body.

## **3.0 Awards**

Where the criteria in 2.1 (a) and (b) are met, the following awards will be made:

- a) A one-off payment of £150 will be awarded to households with a Council Tax band E-H that are also in receipt of Local Council Tax Support.
- b) A one-off payment of £150 will be awarded to Households whose dwelling is valued in bands F to H subject to an alternative banding E to G, due to a Disabled Banding Relief.
- c) Households in Council Tax bands A-D that are in receipt of LCTS and are part of a 'Vulnerable Household', will be awarded £30 'top-up' funding. The Council may award a further 'top-up' towards the end of the scheme, if funds are available.
- d) Households where the energy bill payers are not liable for Council Tax. (E.g., Houses in multiple occupation) but can provide evidence that they have their own fuel bills will be awarded a one-off payment of £150. The £150 payment will be divided by the number of available bedrooms and no payment will be made for any rooms that are unoccupied.

- e) Households whose dwelling is valued in bands E to H on 1 April 2022 who manage to successfully appeal their band to D or lower, retrospectively to 1 April 2022 will be awarded a one-off payment of £150. (The appeal must have been submitted before 3 February 2022).
- f) E-H households that are not on Local Council Tax Support and are in ‘fuel poverty’. The assessment of households that are in ‘fuel poverty’ will be provided by pre-validated referrals from the independent charity ‘Beat the Cold’ <https://www.beatcold.org.uk/>
- g) **Households in multiple occupancy**
  - Households where the energy bill payer is not liable for Council Tax
  - Households that have a liability for rent on 1 April 2022 but is not liable for Council Tax. The householder must receive Housing benefit and be liable for an energy bill.

#### **4.0 How much funding will be available?**

- 3.1 In most cases, the maximum funding is expected to be a £150 ‘one-off’ payment for households that meet the eligibility criteria. In certain prescribed circumstances (see 3.0(c)) a ‘top-up’ payment may be awarded.
- 3.2 The discretionary fund is cash and time limited and so payments will no longer be made if the Council utilises all its funding, or on the closing date of 30 November, whichever is sooner.

#### **5.0 How the payment will be made**

- 4.1 Payments can only be made to the liable Council Tax payer (or a person who would otherwise, be liable where the property is exempt), regardless of the number of occupants or liable Council Tax payers. In certain prescribed circumstances (see 3.0(c)) a ‘top-up’ payment may be awarded.
- 4.2 Payments will be made directly to the Council Tax payer using the live direct debit information held of an eligible household.
- 4.3 Where the Council does not hold live direct debit instructions for an eligible household, efforts will be made to contact the household as early as possible to make them aware of the scheme and invite them to make a claim.
- 4.4 Should an eligible household not have a live direct debit instruction set up, the council will then look to make a credit of up to £150 against the household’s current liability.
- 4.5 Where an eligible household does not have a live direct debit or a Council Tax liability to credit, the Council will make the payment following an application process.

## **Impact of the payment**

5.1 All payments made under the Council Tax Rebate or Discretionary Fund are to be treated as local welfare provision and therefore will not be taken into account in the calculation of income related benefits. For Universal Credit, the Department of Work and Pensions will legislate to ensure payments are disregarded.

5.2 All payments made under the Council Tax Rebate or Discretionary Fund are non-taxable. Recipients do not need to inform HMRC of the amounts received and those who are self-employed do not need to report the amounts on their Self-Assessment tax returns. As these payments are non-taxable, they do not impact tax credits. Tax credits claimants do not need to report these payments as income to HMRC.

## **6.0 Application Process**

6.1 To apply for this discretionary grant funding, you must first meet the criteria set out in section 2. If you do not fit these criteria, then your application will be rejected.

6.2 Applications can be submitted online.

6.3 All applications will be subject to pre-payment checks.

## **7.0 Fraud**

7.1 The Council will not accept deliberate manipulation and fraud - and any claimant caught falsifying their records to gain grant money will face prosecution and any funding issued will be subject to claw back, as may any grants paid in error.

## **8. Eligibility Disputes**

8.1 The decision of the Council on any eligibility matter will be final. Any disputes will be dealt with through the Council's complaints procedure. Full details are on our website.

## **9.0 Review**

9.1 This policy was produced in May 2022 and will be updated if there are any further updates provided by Central Government.